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Comprehensive Annual Financial Report

FISCAL YEAR ENDED JUNE 30, 2005



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CHRISTINE L. COHEN

AUDITOR-CONTROLLER

COUNTY OF VENTURA, CALIFORNIA





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County of Ventura, California

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT
YEAR ENDED JUNE 30, 2005**



County Auditor-Controller's Office
CHRISTINE L. COHEN, *Auditor-Controller*

County of Ventura, California
COMPREHENSIVE ANNUAL
FINANCIAL REPORT
YEAR ENDED JUNE 30, 2002

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COUNTY OF VENTURA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
For the Fiscal Year Ended June 30, 2005

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INTRODUCTORY SECTION



CHRISTINE L. COHEN
AUDITOR-CONTROLLER
County of Ventura
800 South Victoria Avenue
Ventura, CA 93009-1540



CHIEF DEPUTIES
JAMES M. TAMEKAZU
LOUISE WEBSTER
SANDRA BICKFORD
MERCY GRIECO

December 9, 2005

Honorable Board of Supervisors
County of Ventura
County Government Center
800 South Victoria Avenue
Ventura, California 93009

Members of the Board of Supervisors and
Citizens of the County of Ventura:

The Comprehensive Annual Financial Report (CAFR) of the County of Ventura (County) for the year ended June 30, 2005, is hereby submitted in compliance with the provisions of the State of California Government Code Sections 25250 and 25253. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the County. We believe the data, as presented, is accurate in all material aspects; that it is presented in a manner designed to fairly set forth the financial position and changes in financial position of the various funds of the County. All disclosures necessary to enable the reader to gain an understanding of the County's financial activities have been included.

AUDITS

The CAFR was prepared to satisfy the financial reporting requirements for state and local governments as issued by the Governmental Accounting Standards Board (GASB); specifically GASB Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis — for State and Local Governments* (GASB 34), and subsequent related statements. Further information regarding the reporting requirements can be found in Note 1 of the Notes to the Basic Financial Statements. Comparative analysis of the financial statements for June 30, 2005 and 2004 can be found in the Management's Discussion and Analysis.

The CAFR has been audited by the independent certified public accounting firm of Macias Gini & Company LLP (MGC). The goal of the independent audit was to provide reasonable assurance about whether the basic financial statements of the County for the fiscal year ended June 30, 2005, are free of material misstatement. The independent audit involves examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall basic financial statement presentation. MGC concluded that the County's annual basic financial statements as contained herein present fairly, in all material respects, the financial position of the governmental activities, the business-type activities, and the discretely presented component unit, each major fund and the aggregate remaining fund information, and the changes in financial position and cash flows, where applicable, of the County of Ventura in conformity with generally accepted accounting principles. The

unqualified Independent Auditor's Report is included in the Financial Section of this Comprehensive Annual Financial Report.

The County is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act Amendments of 1996 and the United States Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Information related to this single audit, including the Schedule of Expenditures of Federal Awards, Findings and Questioned Costs (if applicable), and the independent auditor's reports on internal control and compliance with applicable laws and regulations, are included in a separate annual publication available from the County Auditor-Controller's Office.

THE COUNTY PROFILE AND REPORTING ENTITY

The County of Ventura was approved by the State Legislature on March 22, 1872, effective January 1, 1873. The County was created out of the southeasterly portion of Santa Barbara County. The County covers an area of 1,873 square miles and is 26th in geographic size among California's 58 counties. It is bordered on the north by Kern County, on the northwest by Santa Barbara County, and on the east by Los Angeles County. The Pacific Ocean provides the County's south and southwestern border stretching along 42 miles of coastline.

The County is a General Law County. Policymaking, budget approval, and legislative authority are vested in a five-member Board of Supervisors (Board). Each Supervisor is elected on a nonpartisan basis by geographic districts for four-year staggered terms. On alternating two year elections, either two or three members are elected. The Chair of the Board is elected by the board members to a one-year term.

The County provides a full range of services, including general government (administration, central services, elections, and plant acquisition), public protection (law enforcement, fire protection, watershed protection, County portion of judicial, and detention), public ways and facilities (construction and maintenance of roads), health and sanitation (public, behavioral, and environmental health), public assistance, and education (libraries). In addition, enterprise funds account for the operations of the Medical Center, Health Care Plan, two airports, Channel Islands Harbor, Harbor Expansion, Waterworks Districts (sanitation and water services), and Parks (recreational activities).

The financial reporting entity (the government) includes all the funds of the primary government (County of Ventura as legally defined), as well as all of its legally separate component units, if applicable. The component units are reported as *blended* when they are in substance part of the primary government or *discretely presented* in a separate column on the government-wide financial statements to emphasize that they are legally separate from the primary government. Note 1 of the Notes to the Basic Financial Statements provides more information on the reporting entity.

There are certain separate legal entities that share the title "County of Ventura," including numerous school and other districts governed by locally elected boards. These entities are autonomous organizations with their own governmental powers. They maintain their own financial records and issue financial statements separate and distinct from those of the County. Accordingly, they are not included in the accompanying financial statements, except as to their assets held by the County, principally cash and investments held by the County Treasurer in the Investment Trust Fund.

FACTORS AFFECTING FINANCIAL CONDITION

Ventura County, historically, has been closely allied with the economy of Southern California and for the calendar year 2005 was continuing to grow at a moderate rate. The County's traditional economic strength in agriculture, food processing, and mineral production is supplemented by the prominence of the service industry, small manufacturing businesses, the electronics industry, tourism, the biotechnology giant, Amgen, and the military presence of the Naval Base Ventura County at Port Hueneme and Point Mugu.

Positive local signs of future growth include retail sales increase of 7.8 percent in 2004 compared to a statewide increase of 7.2 percent. The overall vacancy rate for retail space is 3.5 percent and has held steady for the previous two quarters. The 50,000 square-foot development known as The Lakes in Thousand Oaks is scheduled to open in August 2005, followed shortly by the 600,000 square-foot Simi Valley Town Center in October 2005. Additional positive signs include increasing population growth and average salary. The Port of Hueneme exceeded prior year activity in the number of shop calls, number of vehicles, tonnage of construction and heavy equipment, bananas and fresh fruit delivered through the port. Total cargo tonnage was 1.3 million metric tons, an increase of 23 percent over 2004.

The region's crop total was \$1.4 billion in 2004 with strawberries leading the way with \$363.6 million. Overall, there was an increase of \$271.8 million or 24.3 percent.

At June 2005, the Employment Development Division - Labor Market Information Section reported total wages and salary employment in Ventura County at 314,200 jobs, which represents an overall increase of 3,700 jobs from the June 2004 total of 310,500 jobs, or a 1.2 percent increase. Over the past year, manufacturing, retail trade, and agriculture added 1,200, 1,600, and 1,600 jobs, respectively. Increases were also reported for construction and mining. Government led the losses with 700 jobs, followed by services with losses of 400 jobs. The unemployment rate in June 2005, at 4.6 percent, was down from 4.8 percent in June 2004 and compares favorably with 5.4 percent in California and 5.2 percent in the nation.

California State University, Channel Islands, reported enrollment for fall 2005 of 2,563 full-time and part-time students, an increase of 27 percent over a year ago. State funding has increased after three consecutive years of cuts. The university now has a credential program for special education teachers among the 18 majors offered. The first student housing complex, built at a cost of \$17.6 million to house 344 students, opened in August 2004.

Ventura County's total population is estimated at 813,052 as of January 1, 2005 by the Department of Finance, a 1.1 percent growth over the prior year. The largest city is Oxnard. The fastest growing city was Moorpark at 2.9 percent growth. The California growth rate was 1.5 percent. The County is 11th in population size among California counties. Since 1990, the County has grown 21.5 percent and has increased 53.4 percent since the 1980 Census. In spite of the declining affordability of homes, the County has maintained a modest annual population growth exceeding 1 percent since 2001 primarily due to its quality of life, low crime rate, climate, relatively clean air, and proximity to the Los Angeles metropolitan area.

The total secured assessed valuation increased 9.3 percent in 2004-05 and 10.6 percent in 2005-06. Over a period of time, real estate activity and increases in property values should reflect larger assessed valuations and increased property taxes. However, divergent trends of increased demand and slow-growth initiatives are impacting home prices. Save Open-space and Agricultural Resources (SOAR) requires voters to approve new development throughout most cities and the County.

The median sales price for an existing single-family home in Ventura County was \$686,000 in June 2005, an increase of 9.8 percent from a median of \$625,000 in June 2004, according to the California Association of Realtors (CAR). The composite median sales price in Ventura County for new and existing homes and condominiums was \$584,000 in June 2005, reflecting a gain of 16.8 percent from the same month a year ago, according to DataQuick Information Systems. According to CAR, the median sales price in California and the nation in June 2005 were \$543,000 and \$219,000, respectively. UCSB projected median family income for 2005 at \$81,100, a modest 4.8 percent increase over the prior year. Housing affordability (the percent of the population who can afford a median home) has been steadily declining and was 13 percent in June 2005 for Ventura County according to CAR, in contrast with 16 percent for California.

The availability of affordable housing and the significant disparity between rising housing costs and income growth continue to be critical economic factors, which may limit future job growth.

MAJOR FINANCIAL CHALLENGES

Impacts on Revenues

All fifty-eight California counties are by law created by the State and are political subdivisions of the State. Aid from other governmental units represents a large component of total revenues. Therefore, the economic health of the nation and the State have significant impacts on the County's finances. Various factors such as the economic slowdown of recent years, the war in the Middle East, and terrorist threats have contributed to an increasing national deficit and impacted the federal government's financial condition and budget, in turn affecting state and local governments.

California's 2004-05 budget gap between expenditures and resources of about \$15 billion was closed with a variety of budget-balancing actions including borrowing, diversion of property taxes, targeted revenue increases, funding shifts, and program savings. In March 2004, California voters approved the California Economic Recovery Bond Act (Proposition 57) and the Balanced Budget Amendment (Proposition 58), which authorized the State to issue up to \$15 billion in bonds to finance the General Fund gap. Reductions in State funding or large borrowings and other temporary solutions have significantly affected County programs.

To mitigate State funding shortfalls in 1992-93 and 1993-94, the State reduced its expenditures by shifting property taxes through the Education Revenue Augmentation Fund (ERAF) from the counties, cities, and special districts to schools. In fiscal year 2004-05, the County lost \$89 million in property tax revenue to ERAF and has experienced a cumulative loss of \$771 million through June 30, 2005. Additional temporary shifts of property taxes from local governments to ERAF of \$1.3 billion annually in 2004-05 and 2005-06 were included in the State's adopted budget.

Beginning in 2002-03, the State began deferring reimbursement payments to the County for state-mandated programs (SB 90). As of June 30, 2005, an estimated cumulative \$26 million of the County's mandated costs, net of disallowances, have not been reimbursed. In September 2005, the County received about \$4.3 million, representing reimbursements of fiscal year 2004-05 estimated claims. Proposition 1A, passed last fiscal year, provided for a five-year repayment term beginning in 2006-07. Trailer bills for the 2005-06 State budget, AB 138 and SB 73, resulted in extending the repayment period from five years to fifteen years.

The Vehicle License Fee (VLF) backfill, also characterized as the VLF Gap Loan, was initially required to be repaid in August 2006. The State accelerated repayment and the County received approximately \$16.2 million in July 2005.

The Governor's budget for 2005-06 suspends the Property Tax Administration Grant Program for two years. Approximately \$1.5 million was received in June 2005 as advance funding for 2005-06. This program has produced significant increases in the collection of property taxes, benefiting local governments, schools, and the State since its inception in 1995-96. This State action may result in a decline in property tax collections during the suspended years unless the County chooses to fund the program from discretionary revenue.

Proposition 63, passed by the voters in November 2004, established a 1 percent state income surtax on incomes of over a million dollars. The revenues generated are to be used to create new county mental health programs and expand existing programs. Specifically, it (1) provides funds to counties to expand services and develop new programs and integrated service plans; (2) requires the State to develop mental health service programs, including prevention, early intervention, education, and training programs; (3) requires the creation of a commission to approve certain mental health programs and expenditures; (4) prohibits the State from decreasing funding levels for mental health services below those in the 2003-04 budget. A three-year work plan was approved by the Board on November 22, 2005 for submittal to the State Department of Mental Health. Funding of about \$6 million is anticipated for the program in 2005-06.

The major issue for counties is their limited ability to raise discretionary revenue such as property, sales, and motor vehicle taxes, combined with their vulnerability to ongoing State shifts. The ability to generate new revenue streams continues to be limited by the voters through the initiative process. Article XIII(A) of the California Constitution limits the maximum ad valorem tax on real property to one percent of “full cash value”. Proposition 62, approved in 1986, requires specified Board and electorate approval for certain taxes. Proposition 218 added a constitutional amendment in 1996 that further limits government’s ability to levy, collect, or increase certain taxes, assessments, fees, and charges.

The County has restricted the use of two major revenue streams, public safety sales tax and tobacco settlement. The use of Proposition 172 public safety money, amounting to \$57 million in fiscal year 2004-05, is restricted by State law and County Ordinance 4088. The public safety sales tax revenues provided about 21 percent of total public safety spending in 2004-05. The special sales tax has historically been used only for the following four public safety departments—sheriff, district attorney, probation services, and public defender. On November 1, 2005, the Board approved a formula-based distribution of Proposition 172 funds to include the Fire Protection District beginning in 2006-07. The tobacco settlement money is restricted to healthcare purposes by County ordinance adopted in October 2000. Prior year tobacco settlement revenue of about \$15.7 million was set aside in the designation for subsequent years financing. Allocations are recommended to the Board of Supervisors by the Tobacco Settlement Oversight and Allocation Committee.

Expenditures

Fiscal year 2004-05 growth in regular salaries and benefits expenditures was restrained through the elimination of 650 full-time positions at the end of 2003-04. However, actuarially required employer contributions to the Ventura County Employees’ Retirement Association increased from prior year actual expenditures by about 129 percent, primarily a continuing impact from past stock market declines. In addition, actuarially determined liabilities for the County’s self-insured workers’ compensation program, coupled with the first year in a five year net asset deficit recovery plan, increased costs by about 17 percent. Significant increases in these areas resulted in an overall increase in total salaries and benefits costs for the County in 2004-05 of about 8 percent.

Severe winter storms during January and February 2005 ravaged the County, resulting in significant property damage. Soule Park in Ojai sustained major damage, requiring a general fund transfer of \$2 million. Anticipated insurance recoveries and disaster reimbursement funds, in addition to the general fund subsidy, will be used for repairs and restoration costs. The Road Fund and Watershed Protection Districts were also significantly impacted by the storms with combined disaster-related expenditures of roughly \$29 million over fiscal years 2004-05 and 2005-06. Preliminary estimates from the Public Works Agency indicate a cost recovery rate of approximately 50 percent. Due to the necessary diversion of staff and resources to respond to the disaster damage, several projects planned and budgeted in 2004-05 in the Road Fund and Watershed Protection District were deferred.

In October 2004, the Board approved the purchase of Santa Paula Memorial Hospital, subject to the County obtaining regulatory approval to operate the facility under the full licensure of the Medical Center. Payment per agreement was remitted in September 2005. The assets purchased included the buildings, personal property, and about 13.5 acres of land. The hospital is expected to re-open early in 2006.

Impacts on Governmental Fund Balances

For the year ended June 30, 2005, increases or decreases from June 30, 2004 are recorded in the following areas:

- For the General Fund, total fund balance increased by \$39,689,000 in 2004-05 principally due to the growth in property tax revenues. In addition, the receipt of the VLF Gap Loan and reimbursements for SB 90 2004-05 estimated claims in July and September 2005, within the County’s six-month availability period, allowed for their recognition as revenue as of June 30, 2005.

- The Road Fund and Watershed Protection Districts reported decreases in fund balance of \$6,103,000 and \$10,793,000, respectively, primarily as a result of expenditures related to storm damage in January and February 2005. Estimated federal and state disaster reimbursements not expected to be received within the six-month availability period were not accrued in the fund statements but were reported in the government-wide Statement of Activities.

Additional discussion on fund balance is provided in the MD&A under Financial Analysis of the County Funds - Governmental Funds Summary of Changes in Fund Balances.

INTERNAL AND BUDGETARY CONTROLS

The County maintains an internal control structure designed to ensure that assets of the government are protected from loss, theft, or misuse and to ensure adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. Internal accounting controls are designed to provide reasonable, but not absolute, assurance regarding the safeguarding of assets against loss from unauthorized use or disposition and to ensure the reliability of financial records for preparing financial statements and maintaining accountability for assets.

The concept of reasonable assurance recognizes that the cost of the control should not exceed the benefits likely to be derived. We believe the County's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions. As a recipient of federal and state financial assistance, the County is also responsible for ensuring that an adequate internal control structure is in place to ensure and document compliance with applicable laws and regulations related to those programs. The Auditor-Controller's Office established a program for departments to perform internal control self-assessments.

In accordance with the California Government Code, the County adopts an annual budget for operations. The legal level of budgetary control (the level at which expenditures cannot legally exceed the appropriated amount) is at the department/budget unit and object level of expenditures, except capital assets which are controlled at the sub-object level. The Board has delegated authority to the County Executive Officer to approve appropriation transfers within each department under their authority to allow flexibility in managing their departments. Appropriation transfers between departments must be approved by the Board.

All unencumbered and unexpended appropriations lapse at the end of each fiscal year and become available to finance the next year's budget. Encumbered appropriations are reappropriated in the next year's budget. Encumbrances outstanding at year-end are recorded as reservations of fund balance in the governmental funds. Additional budgetary information is included in the Required Supplementary Information section of the CAFR.

CASH MANAGEMENT POLICIES AND PRACTICES

The Treasury manages a single cash pool for the purpose of increasing interest income through investment activities. Included in the pool are the internal pool component for County related cash and investments recorded in the various funds and an external pool component for other governmental agencies recorded as the Investment Trust Fund. The annualized yield for fiscal year 2004-05 was 2.23 percent. This yield compares favorably with the average yield of United States Treasury bills and notes for the same period.

Pooled investments are stated at fair value in accordance with GASB Statement No. 31. The total cash and investments held by the County Treasurer at June 30, 2005 totaled \$1,420,213,000. Other cash and investments are held by fiscal agents and in the pension trusts. Additional information is available in Note 3 - Cash and Investments in the Notes to the Basic Financial Statements.

DEBT ADMINISTRATION

The County adheres to prudent financial practices regarding all debt financing. The short-term tax and revenue anticipation notes (TRANS) have received ratings of SP-1+ and MIG 1, the highest rating for short-term securities, by Standard & Poor's Corporation and Moody's Investors Services, respectively. The County intends to continue its conservative debt management and use short-term borrowing programs in future years as needed for cash flow purposes between property tax payments.

Total outstanding balances at June 30, 2005 for debt and other long-term liabilities are \$281,039,000 for governmental activities and \$46,166,000 for business-type activities as described in Note 10 - Long-Term Debt in the Notes to the Basic Financial Statements.

Useful indicators of the County's debt position include the following: Ratio of general bonded debt to assessed value 0.00; amount of bonded debt per capita \$0.00; and legal debt limit \$985,728,000. A ten-year summary of these indicators is provided in the Statistical Section of the CAFR.

RISK MANAGEMENT

The County is self-insured for various types of risk including general liability, workers' compensation, property damage, unemployment, and for the deductible on medical malpractice premiums (Note 14). For group health and long-term disability insurance, the Human Resources Department obtained commercially insured plans and the Ventura County Health Care Agency administers a self-insured health plan.

The County records its risk management activities in various internal service and enterprise funds. The revenue received, funded liability reserves, and unrestricted net assets at June 30, 2005 are considered adequate by management to cover the ultimate cost to defend or settle claims arising from these risks.

ON-LINE INFORMATION

Copies of this CAFR, the Single Audit Report, the County Proposed and Final Budgets, and the Tax Rates book may be obtained from the office of the County Auditor-Controller. The CAFR, Adopted Budget, and other documents are also available on the Internet, www.auditor.countyofventura.org. The County's web page, www.countyofventura.org includes information on most County departments as well as interactive sites. Information is available about the Board of Supervisors including email to the Board, the ability to watch live or archived Board meetings, board agendas, County job listings, County directories and general information, voter information, and County permits and forms.

OTHER INFORMATION

Certificate of Achievement The Government Finance Officers' Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the County for its Comprehensive Annual Financial Report for the year ended June 30, 2004. This was the 21st consecutive year the County has received this award.

In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized CAFR whose contents conform to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe our current report continues to conform to the Certificate of Achievement program requirements. We are submitting the current report to GFOA to determine its eligibility for a Certificate of Achievement for Excellence in Financial Reporting for the year ended June 30, 2005.

Acknowledgments The preparation of this report could not have been accomplished without the efficient and dedicated services of the entire staff of the Auditor-Controller's Office. I express my appreciation to members of the Auditor-Controller's Office and our independent auditors, Macias Gini & Company LLP, all of whom assisted in and contributed to its preparation. I also thank the Board of Supervisors and the County Executive Office for their interest and support in planning and conducting the financial operations of the County in a responsive and effective manner.

Respectfully submitted,

A handwritten signature in dark ink, appearing to read 'CLC', with a long horizontal flourish extending to the right.

CHRISTINE L. COHEN
Auditor-Controller

Certificate of Achievement for Excellence in Financial Reporting

Presented to

County of Ventura,
California

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2004

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



Nancy L. Ziehl

President

Jeffrey R. Enos

Executive Director

COUNTY OF VENTURA
LISTING OF PRINCIPAL OFFICIALS
JUNE 30, 2005

ELECTED OFFICIALS

Board of Supervisors

District #1	Steve Bennett
District #2	Linda Parks
District #3	Kathy I. Long
District #4	Judy Mikels
District #5	John K. Flynn

Other Elected Officials

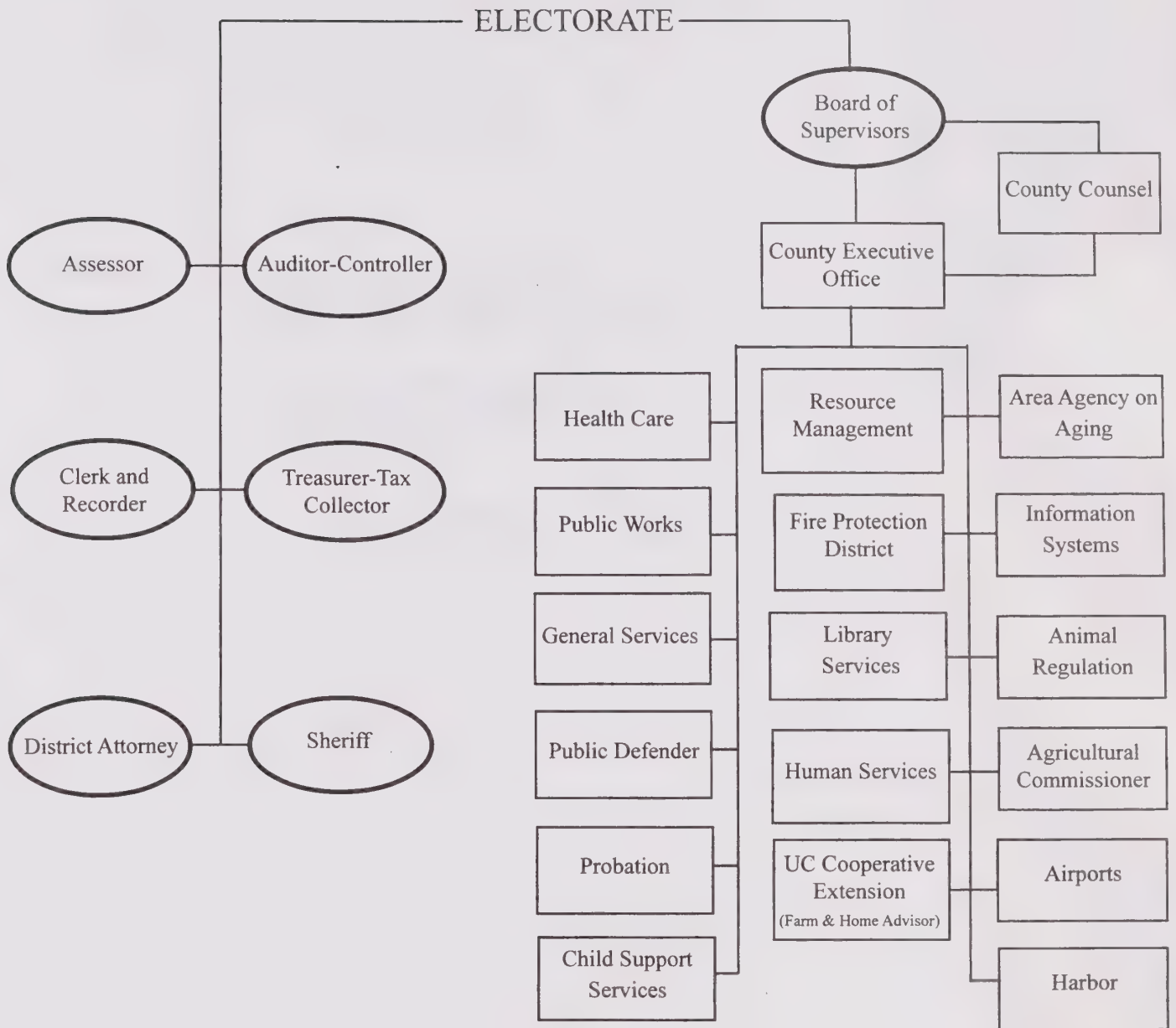
Assessor	Dan Goodwin
Auditor-Controller	Christine L. Cohen
Clerk and Recorder	Philip J. Schmit
District Attorney	Gregory D. Totten
Sheriff	Bob Brooks
Treasurer-Tax Collector/Public Guardian/Public Administrator	Lawrence Matheney

APPOINTED OFFICIALS

Agricultural Commission	W. Earl McPhail
Animal Regulation Department	Kathy Jenks
Area Agency on Aging	Victoria Jump
County Counsel	Noel A. Klebaum
County Executive Office	John F. Johnston
Department of Airports	Scott E. Smith
Department of Child Support Services	C. Stanley Trom
Farm Advisor	Lawrence K. Yee
Fire Protection District	Bob Roper
General Services Agency	Paul W. Ruffin
Harbor Department	Lyn Krieger
Health Care Agency	Pierre Durand, DPA
Human Services Agency	Ted Myers
Information Systems Department	J. Matthew Carroll
Library Services Agency	Starrett Kreissman
Probation Agency	Calvin C. Remington
Public Defender	Kenneth I. Clayman
Public Works Agency	Ronald C. Coons
Resource Management Agency	Thomas Berg

COUNTY OF VENTURA

ORGANIZATION CHART



Elected

Appointed

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FINANCIAL SECTION





MACIAS GINI & COMPANY LLP

515 S. Figueroa Street, Ste. 325
Los Angeles, California 90071

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INDEPENDENT AUDITOR'S REPORT

To the Board of Supervisors
County of Ventura, California

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the County of Ventura, California (County), as of and for the fiscal year ended June 30, 2005, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Ventura County Public Facilities Corporation, the Ventura County Public Financing Authority, the Ventura County Employees' Retirement Association, and the Children and Families First Commission of Ventura County, which collectively represent the following percentages of assets, net assets/fund balances and revenues/additions as of and for the fiscal year ended June 30, 2005:

<u>Opinion Unit</u>	<u>Assets</u>	<u>Net Assets/ Fund Balances</u>	<u>Revenues/Additions</u>
Governmental Activities	8%	0.03%	1%
Aggregate Remaining Fund Information	77%	74%	12%
Discretely Presented Component Unit	100%	100%	100%

Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion, insofar as it relates to the amounts included for those entities, is based on the reports of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the reports of other auditors provide a reasonable basis for our opinions.

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the County as of June 30, 2005, and the respective changes in financial position and cash flows, where applicable, thereof, for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America.

As discussed in Note 1 of the basic financial statements, effective July 1, 2004, the County adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 40 – *Deposit and Investment Risk Disclosures – an amendment of GASB Statement No. 3*.

The management's discussion and analysis, schedules of funding progress and employer contributions and budgetary comparison information on pages 19 through 36 and 103 through 109, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We and the other auditors have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we and the other auditors did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The introductory section, combining and individual nonmajor fund statements and schedules, capital assets schedules and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund statements and schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, based on our audit and the reports of other auditors, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section, capital assets schedules and statistical section have not been subjected to the auditing procedures applied by us and the other auditors in the audit of the basic financial statements and, accordingly, we and the other auditors express no opinion on them.

Maurer Jini & Company LLP

Certified Public Accountants

Los Angeles, California
December 9, 2005

MANAGEMENT'S
DISCUSSION
AND ANALYSIS
(UNAUDITED)



MANAGEMENT'S DISCUSSION AND ANALYSIS

(Unaudited)

This section of the County of Ventura's (County) Comprehensive Annual Financial Report (CAFR) presents a discussion and analysis of the County's financial performance during the fiscal year ended June 30, 2005. Please read it in conjunction with the transmittal letter at the front of this report and the County's basic financial statements following this section.

FINANCIAL HIGHLIGHTS

- The government-wide assets of the County (governmental and business-type) exceeded liabilities at the close of the 2004-2005 fiscal year by \$1,345,461,000 (*net assets*). Of this amount, \$308,065,000 (*unrestricted net assets*) may be used to meet ongoing obligations to citizens and creditors, \$64,360,000 is restricted for specific purposes (*restricted net assets*), and \$973,036,000 is *invested in capital assets, net of related debt*.
- The government's total net assets increased by \$70,713,000 during fiscal year 2004-05, primarily from governmental activities. Net assets invested in capital assets, net of related debt, increased by \$31,957,000. The increase represents capital acquisitions net of depreciation plus retirement of related long-term debt. Restricted assets increased by \$3,706,000 primarily due to unexpended revenues subject to external restrictions. Unrestricted net assets increased by \$35,050,000 principally due to unexpended increases in property and other taxes in the General Fund.
- As of June 30, 2005, the County governmental funds reported combined fund balances of \$350,956,000, an increase of \$19,248,000 in comparison with the prior year. Approximately 75 percent of the combined fund balances may be available to meet the County's current and future needs (*unreserved fund balance*). An analysis is required to determine the revenue status and availability of each fund.
- At the end of the fiscal year, unreserved fund balance for the general fund was \$114,005,000 or 17 percent of total general fund expenditures, reflecting an increase over the prior fiscal year of \$35,212,000 principally due to unexpended growth in property and other taxes.
- The County's total long-term liabilities decreased by \$10,651,000 in comparison with the prior year primarily due to the maturity of pension obligation bonds, tax-exempt commercial paper, and certificates of participation, offset by increases in claims and compensated absences liabilities.

OVERVIEW OF THE BASIC FINANCIAL STATEMENTS

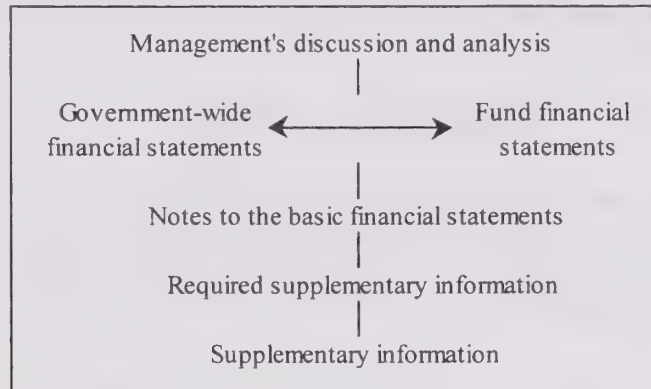
The Management's Discussion and Analysis (MD&A) is intended to serve as an introduction to the County's basic financial statements. The County's basic financial statements include three components:

- 1) Government-wide financial statements
- 2) Fund financial statements
- 3) Notes to the basic financial statements.

Required supplementary information, supplementary information, and statistical information are also included in the CAFR.

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

The following diagram displays the interrelationships of this report.



Government-wide Financial Statements The financial statements created by Governmental Accounting Standards Board Statement No. 34 (GASB 34) and its related Statements, GASB 37 and 38 and Interpretation No. 6, are designed to provide readers with a broad overview of County finances, in a manner similar to a private-sector business. The *statement of net assets* and *statement of activities* use the flow of economic resources measurement focus and accrual basis of accounting. The focus and basis emphasize the *long-term* view of the County's finances.

The *statement of net assets* presents information on all County assets and liabilities, with the differences between the two reported as *net assets*. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the County is improving or deteriorating.

The *statement of activities* presents information showing how net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods (e.g. uncollected taxes and earned but unused vacation leave).

The government-wide financial statements continue to include the following concepts:

- The government-wide statements include only those funds/entities representing resources available to the County. Therefore, the financial information for the trust funds for Ventura County Employees' Retirement Association (VCERA), Supplemental Retirement Plan (SRP), and the external investment trust are not included in the government-wide financial statements. The financial statements for the discretely presented component unit, Children and Families First Commission (Commission), are provided in a separate column.
- The statement of activities distinguishes functions of the County that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a portion of their costs through user fees and charges (*business-type activities*).

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

- In addition, the statement of activities compares the direct expenses and program revenue for each governmental function and each segment of business-type activities. The general revenue (non-program revenue) must then cover the net cost of the various activities. The governmental activities of the County include general government, public protection, public ways and facilities, health and sanitation, public assistance, and education. The business-type activities of the County include the hospital, utilities, recreation, airports, and medical insurance.
- Because the internal service funds primarily serve the governmental funds, the internal service funds' activity is eliminated with net balances also reported in the governmental activities column. Additional elimination of transfers and activity occur within the governmental activities and within the business-type activities.
- Component units are included in the basic financial statements and consist of legally separate entities for which the County is financially accountable. *Blended component units* have substantially the same governing board as the County or provide services entirely to the County and are reported on the fund statements and, if appropriate, as governmental activities on the government-wide financial statements. Examples include the Fire Protection District, the County's Watershed Protection Districts (flood control), and VCERA. The Commission is reported as a *discretely presented component unit* because the County Board appoints the commission board members to serve at will.

The government-wide financial statements can be found on pages 37-39 of this report.

Fund Financial Statements report on groupings of related funds and accounts that are used to maintain control over resources that have been segregated for specific activities or objectives. A fund is a separate accounting classification with a self-balancing set of accounts. The County, like other state and local governments, uses fund accounting to demonstrate finance-related legal compliance.

There are several new treatments on the fund financial statements since implementation of GASB 34-emphasis on major funds, inclusion of all County agency funds within the applicable funds, and elimination of intra-fund activity.

- The fund financial statements emphasize *major funds* as determined by minimum criteria set forth in GASB Statement No. 34 with separate columns for each major fund. The non-major funds are presented in an aggregated single column on the governmental funds financial statements. There are four major governmental funds: the General Fund, Roads, Watershed Protection Districts, and the Fire Protection District. There are three major enterprise funds: Medical Center, Department of Airports and Waterworks Districts. Individual fund data for each of the non-major funds is provided in the form of *combining statements* elsewhere in this report.
- The GASB 34 fund financial statements include all balances of County funds held in agency funds with cash and other accounts recorded within the related fund. The remaining agency funds included in the fund financial statements contain amounts due to others outside of the government, such as property taxes to be distributed.

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

All of the funds of the County can be divided into three categories: *governmental funds*, *proprietary funds* and *fiduciary funds*.

Governmental funds are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. The governmental funds include the general fund, special revenue funds, debt service funds, capital projects funds, and permanent fund. However, unlike the government-wide financial statements, governmental funds financial statements use the current financial resources measurement focus and the modified accrual basis of accounting. The focus and basis emphasize the *near-term inflows and outflows of spendable resources*, as well as the balances of *spendable resources available* at the end of the fiscal year. Such information may be useful in evaluating a county's near-term financing requirements.

The County maintains over sixty individual governmental funds in its financial system and presents them grouped by related activities as twenty-eight separate governmental funds on this report. The equity for fund financial statements continues to be displayed as reserved and unreserved fund balance. Purchase of capital assets and payment of principal on debt continue to be expensed on fund financial statements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The governmental funds financial statements can be found on pages 40-46 of this report.

Proprietary funds are maintained in two fund types-enterprise funds and internal service funds.

Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The County uses enterprise funds to account for the operations of the Medical Center, Department of Airports, Waterworks Districts, Parks, Channel Islands Harbor Expansion, Channel Islands Harbor, the Ventura County Health Care Plan, and the Oak View School Preservation Fund. Over twenty enterprise funds are reported in the County's financial system and grouped by related activities as eight enterprise funds on this report. The major funds are presented in the proprietary fund financial statements with detail of non-major funds provided in the combining statements in the supplementary information section.

Internal service funds are used to accumulate and allocate costs for services provided to the County's various departments. The County uses internal service funds to account for its public works services, heavy equipment, transportation, general insurance (liability and workers' compensation), information systems, general services, employee benefits insurance, and personnel services. Because these services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The County's eight internal service funds are combined into a single, aggregated presentation in the proprietary funds financial statements. Individual fund data for the internal service funds is provided in the *combining financial statements* in the supplementary information section.

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

The proprietary funds financial statements can be found on pages 47-50 of this report.

Fiduciary funds, including the *trust and agency funds*, are used to account for resources held for the benefit of parties outside the government. Trust funds include the VCERA and SRP pension plans and the Investment Trust Fund which includes external users of the County's investment pool, the primary participant being the schools. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the County's own programs. The accounting basis used for trust and agency funds is accrual, much like that used for proprietary funds. Agency funds are held for others and report only assets and liabilities.

The fiduciary funds financial statements can be found on pages 51-52 of this report.

Notes to the Basic Financial Statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. These informative notes can be found on pages 53-102 of this report and are also itemized in the Table of Contents.

Required Supplementary Information is presented including the required pension schedules and the major general and special revenue funds budgetary schedules. The SRP schedule of funding progress and schedule of employer contributions demonstrate the SRP obligation to provide pension benefits to County employees. The VCERA schedules are provided in its own separate financial statements with certain information in Note 12 of the notes to the basic financial statements.

The County adopts an annual appropriated budget for its governmental funds as required by Government Code. In the required supplementary information section, a budgetary comparison schedule is provided for all the major general and special revenue funds to demonstrate compliance with the final budget. Due to the large number of funds and departments, a separate Departmental Budget Report of Revenues and Expenditures – Budget and Actual on a Budgetary Basis has been prepared. The separate report is at the department/budget unit, function, and object level for those funds for which the County is legally required to adopt a budget. This document is available from the Auditor-Controller's office, 800 South Victoria, Ventura, CA 93009-1540.

Required supplementary information can be found on pages 103-109 of this report.

Supplementary Information includes the combining and individual governmental, enterprise and internal service fund statements, budgetary comparison schedules for all governmental funds for which the County is legally required to adopt a budget, and information on capital assets used in the operation of governmental funds beginning on page 111 of this report. Statistical information is also provided beginning on page 175 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Government-wide Summary of Net Assets

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the County, assets exceeded liabilities by \$1,345,461,000 at the close of the most recent fiscal year.

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

A summary of net assets is as follows:

Summary of Net Assets
June 30, 2005 and 2004
(In Thousands)

	Governmental Activities		Business-type Activities		Total		Percent Change
	2005	2004	2005	2004	2005	2004	
Assets:							
Current and other assets	\$ 768,932	\$ 678,899	\$ 102,155	\$ 96,247	\$ 871,087	\$ 775,146	12%
Capital assets	923,145	908,951	172,221	162,821	1,095,366	1,071,772	2%
Total assets	<u>\$ 1,692,077</u>	<u>\$ 1,587,850</u>	<u>\$ 274,376</u>	<u>\$ 259,068</u>	<u>\$ 1,966,453</u>	<u>\$ 1,846,918</u>	6%
Liabilities:							
Current and other liabilities	\$ 267,658	\$ 214,682	\$ 26,129	\$ 19,632	\$ 293,787	\$ 234,314	25%
Long-term liabilities	281,039	288,073	46,166	49,783	327,205	337,856	(3)%
Total liabilities	<u>548,697</u>	<u>502,755</u>	<u>72,295</u>	<u>69,415</u>	<u>620,992</u>	<u>572,170</u>	9%
Net assets:							
Invested in capital assets, net of related debt	830,898	809,520	142,138	131,559	973,036	941,079	3%
Restricted net assets	57,983	52,022	6,377	8,632	64,360	60,654	6%
Unrestricted net assets	254,499	223,553	53,566	49,462	308,065	273,015	13%
Total net assets	<u>1,143,380</u>	<u>1,085,095</u>	<u>202,081</u>	<u>189,653</u>	<u>1,345,461</u>	<u>1,274,748</u>	6%
Total liabilities and net assets	<u>\$ 1,692,077</u>	<u>\$ 1,587,850</u>	<u>\$ 274,376</u>	<u>\$ 259,068</u>	<u>\$ 1,966,453</u>	<u>\$ 1,846,918</u>	6%

Net assets include three components: *Invested in capital assets, net of related debt, restricted net assets, and unrestricted net assets.*

A significant component of the County's net assets totaling \$973,036,000 (72 percent) reflects the County's investment in capital assets net of accumulated depreciation (land, structures, and equipment), less any related outstanding debt used to acquire those assets. The County uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Another component of the County's net assets, restricted net assets of \$64,360,000 (5 percent) represents resources that are subject to external restrictions on how they may be used. Trust agreements relating to long-term debt restrict certain amounts for debt service. In addition, externally restricted funding received in advance of expenses are also reported as restricted net assets. Therefore, these net assets are not available for other uses by the County.

The third portion of the County's net assets represents unrestricted net assets of \$308,065,000 (23 percent) which may be used to meet the County's ongoing obligations to citizens and creditors.

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

At the end of the current fiscal year, the County reported positive balances in all three categories of net assets, both for the County as a whole, as well as for its separate governmental and business-type activities.

The County's net assets increased by \$70,713,000. Net assets for governmental activities increased by \$58,285,000 while net assets for business-type activities increased by \$12,428,000. Property and other taxes accounted for an increase exceeding \$40 million when compared with the prior fiscal year in governmental activities largely due to growth in the assessed valuation of real property and the permanent swap of motor vehicle in-lieu taxes for property taxes. The increase in net assets attributable to business-type activities resulted primarily from net subsidies from the general fund to the Medical Center, Parks Department and Channel Islands Harbor in excess of \$14 million. Operating revenues rose by 9 percent from the prior fiscal year primarily in the Medical Center due to an increase in disproportionate share revenues (federal). Operating expenses increased by 8 percent over the prior fiscal year largely due to increased retirement and workers' compensation costs. A reconciliation in the basic financial statements between government-wide and fund financial statements is provided following the Balance Sheet and the Statement of Revenues, Expenditures and Changes in Fund Balances for governmental funds and the Statement of Net Assets and the Statement of Revenues, Expenses and Changes in Fund Net Assets for proprietary funds.

Government-wide Summary of Activities

The following table depicts the revenue, expenses, and changes in net assets for governmental and business-type activities. Among the major changes in revenue for the County as a whole were an increase in charges for services, operating grants, and property taxes, offset by a significant decrease in motor vehicle in-lieu taxes resulting from the swap discussed above. Among major changes to expenses were increased costs recognized in public protection, public ways and facilities, and health and sanitation, as well as Medical Center, Parks Department, and Health Care Plan, and decreased costs in public assistance and Waterworks. An expense of \$4,423,000 was reported by the Channel Islands Harbor in 2004-05 resulting from a court judgment and related interest and attorney costs. Additional information is provided in Note 15 - Contingencies. Other areas showed smaller changes from the prior year.

MANAGEMENT'S DISCUSSION AND ANALYSIS
(CONTINUED)

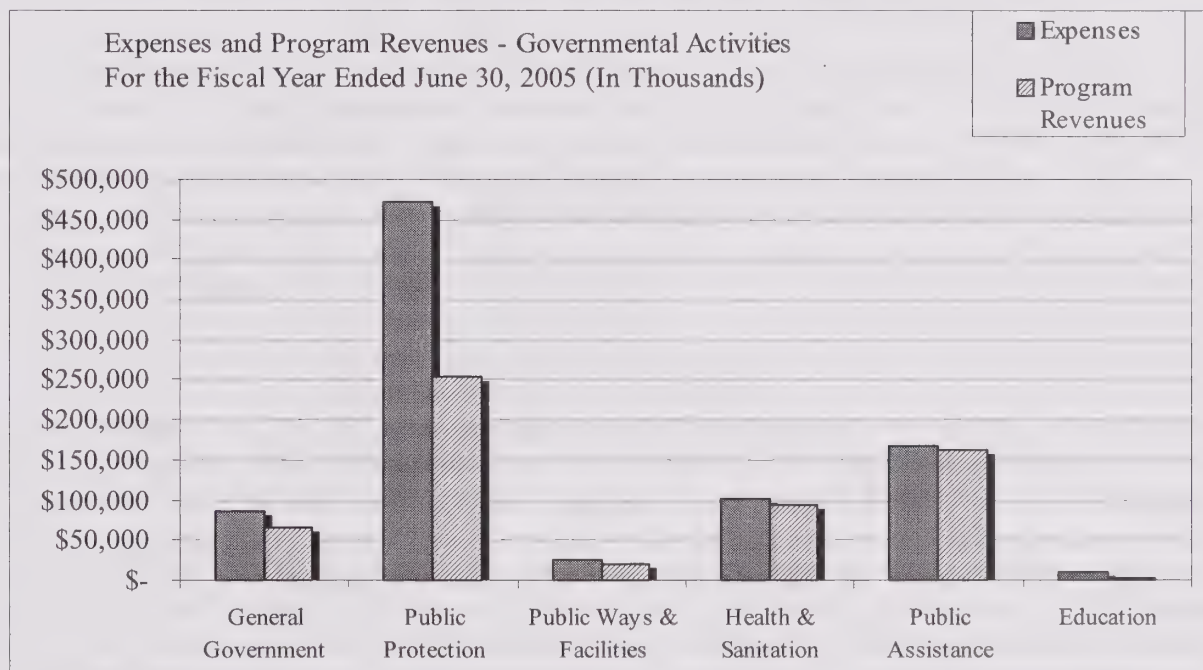
Summary of Activities
For the Fiscal Year Ended June 30, 2005 and 2004
(In Thousands)

	Governmental Activities		Business-type Activities		Total		Total Percent Change
	2005	2004	2005	2004	2005	2004	
Revenues:							
Program revenues:							
Charges for services	\$ 211,927	\$ 174,065	\$206,973	\$190,615	\$ 418,900	\$ 364,680	15%
Operating grants and contributions	370,186	358,170	207	-	370,393	358,170	3%
Capital grants and contributions	15,197	21,181	7,064	2,614	22,261	23,795	(6)%
General revenues:							
Property taxes	286,957	247,197	-	-	286,957	247,197	16%
Other taxes	17,361	17,006	-	-	17,361	17,006	2%
Motor vehicle in-lieu taxes	112	63,313	-	-	112	63,313	(100)%
Aid from other governmental units	13,851	4,992	-	-	13,851	4,992	177%
Interest and investment earnings	12,067	4,197	1,477	435	13,544	4,632	192%
Other	19,628	33,556	984	152	20,612	33,708	(39)%
Total revenues	947,286	923,677	216,705	193,816	1,163,991	1,117,493	4%
Expenses:							
General government	85,789	85,260	-	-	85,789	85,260	1%
Public protection	472,094	425,976	-	-	472,094	425,976	11%
Public ways and facilities	25,657	17,225	-	-	25,657	17,225	49%
Health and sanitation services	101,478	94,522	-	-	101,478	94,522	7%
Public assistance	167,978	175,989	-	-	167,978	175,989	(5)%
Education	9,551	8,122	-	-	9,551	8,122	18%
Interest on long-term debt	12,026	10,734	-	-	12,026	10,734	12%
Medical Center	-	-	160,443	145,798	160,443	145,798	10%
Department of Airports	-	-	5,801	5,411	5,801	5,411	7%
Waterworks - Water and Sewer	-	-	17,082	18,009	17,082	18,009	(5)%
Parks Department	-	-	4,662	2,610	4,662	2,610	79%
Channel Islands Harbor Expansion	-	-	1,327	1,299	1,327	1,299	2%
Channel Islands Harbor	-	-	11,629	6,833	11,629	6,833	70%
Health Care Plan	-	-	17,680	16,890	17,680	16,890	5%
Oak View School Preservation	-	-	81	67	81	67	21%
Total expenses	874,573	817,828	218,705	196,917	1,093,278	1,014,745	8%
Excess (deficiency) before transfers	72,713	105,849	(2,000)	(3,101)	70,713	102,748	(31)%
Transfers	(14,428)	(5,723)	14,428	5,723	-	-	0%
Change in net assets	58,285	100,126	12,428	2,622	70,713	102,748	(31)%
Net assets - July 1, 2004	1,085,095	984,969	189,653	187,031	1,274,748	1,172,000	9%
Net assets - June 30, 2005	<u>\$1,143,380</u>	<u>\$1,085,095</u>	<u>\$202,081</u>	<u>\$189,653</u>	<u>\$1,345,461</u>	<u>\$1,274,748</u>	6%

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

Governmental activities. Governmental activities as reflected in the Statement of Activities increased the County's net assets by \$58,285,000, thereby accounting for 82 percent of the total growth in the County's net assets. The statement of activities displays the direct expenses and the program revenues for the governmental and business-type activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include: 1) charges paid by the recipients of goods or services offered by the programs, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including almost all taxes, are presented as general revenues. Sales tax and vehicle license fee monies for health and welfare realignment and public safety are defined as program revenue.

The bar chart below depicts the relationships of the direct expenses to program revenues:



Revenues. Total revenues from governmental activities increased by 3 percent from the prior year.

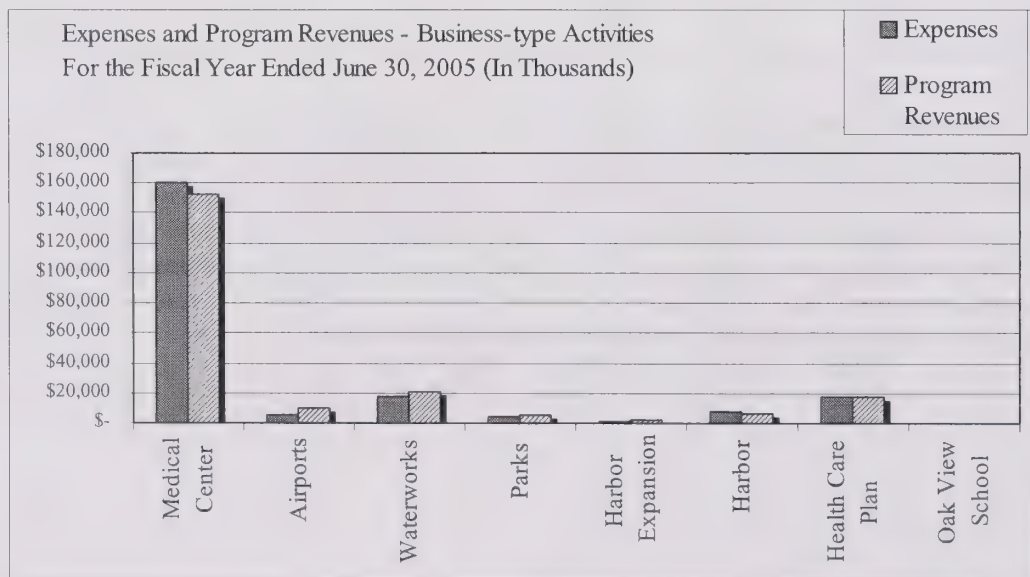
- Operating grants and contributions are revenues earned from entities outside of the County, primarily state and federal agencies, and are generally restricted to one or more specific programs. In 2004-05, the County reported \$370,186,000 in operating grants and contributions, representing the largest revenue source for governmental activities. Public assistance, public protection, and health and sanitation services received 91 percent of the funding in fiscal year 2004-05. Operating grants and contributions provided 62 percent of total program revenues in the current year and rose by 3 percent from the prior year, reflecting an increase in federal and state disaster reimbursements for the 2005 storm damages.

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

- Charges for services are revenues earned from providing goods, services, or privileges to external customers. Public protection generated \$125,971,000, or 59 percent, of the total of \$211,927,000. Among the major sources are contracted law enforcement services provided by the Sheriff's Department to several cities; emergency and contract services performed by the Fire Protection District for various governmental agencies; and various assessments generated by the Watershed Protection Districts. Charges for services provided 35 percent of total program revenues in 2004-05, and increased by 15 percent from 2003-04. Increased costs, particularly salaries and benefits, necessitated increases in the rates charged to external customers.
- Capital grants and contributions of \$15,197,000 represented the smallest source of program revenues in 2004-05 at 3 percent of total program revenues. The largest portion was received for public ways and facilities primarily for the construction and acquisition of infrastructure capital assets.
- General revenue for governmental activities primarily consisted of taxes, other revenues, and investment earnings. Property tax revenue is the largest source of general revenue with \$286,957,000 reported in 2004-05, an increase of 16 percent from 2003-04. The increase is primarily attributable to the swap of motor vehicle license fees for property taxes, pursuant to SB 1096 and growth in assessed property values, less the first increment in a two-year shift of property taxes to education.

Expenses. Total program expenses for governmental activities were \$874,573,000 for the current fiscal year as compared to \$817,828,000 for the prior fiscal year, an increase of 7 percent. Public protection at \$472,094,000 accounted for 54 percent of total expenses for governmental activities. Public assistance expenses were \$167,978,000, or 19 percent, followed by health and sanitation services at \$101,478,000, or 12 percent, general government at \$85,789,000, or 10 percent, and various other costs of \$47,234,000, or 5 percent, of total expenses. The increases in public protection and public ways and facilities reflect expenses incurred primarily in the Watershed Protection Districts and the Roads Fund to mitigate significant damage from the storms of 2005.

Business-type activities. Business-type activities increased net assets by \$12,428,000 or 18 percent of the total growth in the County's net assets primarily from General Fund subsidies. The bar chart below depicts the relationships of the business-type activities direct expenses to program revenues:



MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

Revenues. The County has three major business-type activities: The Medical Center, Department of Airports, and Waterworks-Water and Sewer. Business-type activities recover a significant portion of their costs through user fees and charges. For the current year, 96 percent, or \$206,973,000, of total program and general revenues were generated from charges for services, down 2 percent from the prior fiscal year. The Medical Center accounted for 71 percent of total program revenues for business-type activities at \$152,668,000, a reduction of 1 percent from the prior fiscal year. The Health Care Plan accounted for 8 percent of total program revenues, down 1 percent from the prior fiscal year. The Department of Airports and Parks Department, comprising 7 percent of total program revenues, reflected offsetting increases of 1 percent each, resulting from increased federal and state grants for construction projects.

Expenses. Total expenses for business-type activities were \$218,705,000 in 2004-05 compared to \$196,917,000 in 2003-04, representing an increase of about 9 percent. About 73 percent of total expenses, or \$160,443,000, were incurred by the Medical Center, compared to 74 percent in the prior year. The Health Care Plan and Waterworks-Water and Sewer activities, at \$34,762,000, accounted for 16 percent of the total cost. The remaining 11 percent of expenses were incurred by the Department of Airports, Parks, Channel Islands Harbor and Harbor Expansion, and the Oak View School Preservation business activities, with a combined total of \$23,500,000.

Increased retirement and workers' compensation costs affecting all activities, a judgment against the Channel Islands Harbor, and increases in construction activity in the Parks Department were the primary reasons for the overall increase in expenses.

FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS

As noted earlier, the County uses *fund accounting* to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The County's general government functions are accounted for in the County's general, special revenue, debt service, capital projects, and permanent funds. Included in these funds are the special districts governed by the Board of Supervisors. The focus of the County's governmental funds is to provide information on near-term inflows, outflows, and balances of resources that are available for spending. Such information is useful in assessing the County's financing requirements. Types of major governmental funds reported by the County include the General Fund, Roads Fund, Watershed Protection Districts, and the Fire Protection District.

At June 30, 2005, the County's governmental funds reported combined fund balances of \$350,956,000, an increase of \$19,248,000 from the prior year. Approximately 75 percent of the combined fund balances, \$262,847,000, are unreserved and available to meet the County's current and future needs. A significant portion of these unreserved fund balances (\$118,073,000) are designated by the Board of Supervisors (Board) for uses in the next fiscal year, such as contingencies, capital asset acquisition and replacement, watershed protection projects, and future year financing needs.

Revenues for governmental functions totaled \$957,378,000 in the year ended June 30, 2005, representing an increase of about 5 percent from the fiscal year ended June 30, 2004, largely attributable to increases in property taxes and charges for services. Expenditures for governmental functions, at \$926,149,000, increased 0.9 percent from the fiscal year ended June 30, 2004, with the largest increases reported in the public protection and public ways and facilities functions offset by decreases in capital outlay and principal retirement.

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

GENERAL FUND

At June 30, 2005, the General Fund, the County's principal operating fund, had an unreserved fund balance of \$114,005,000, of which \$40,509,000 were designated for future year uses. Total fund balance was \$153,013,000. As a measure of the General Fund's liquidity, it may be useful to compare the unreserved, undesignated and total fund balances to total General Fund expenditures and other financing uses. The General Fund unreserved, undesignated fund balance of \$73,496,000 represents 10 percent of total expenditures and other financing uses, while total fund balance represents 21 percent of that same total.

ROADS FUND - SPECIAL REVENUE FUND

This fund accounts for planning, design, construction, maintenance, and administration of County roads. It also engages in traffic safety and other transportation planning activities. Revenues consist primarily of state and federal grants and the County's share of state highway use taxes and sales taxes. At June 30, 2005, this fund had an unreserved fund balance of \$36,726,000, of which \$11,454,000 were designated by the Board for future year financing needs. Significant increases in receivables and deferred revenues, offset by a large decrease in unreserved fund balance, reflected the impacts of damage sustained in the 2005 storms.

WATERSHED PROTECTION DISTRICTS - SPECIAL REVENUE FUND

The function of this fund is the control of flood and storm waters and the conservation of such waters for beneficial public use. The unreserved fund balance at June 30, 2005 was \$69,554,000, including \$44,352,000 designated by the Board primarily for watershed protection projects and future year financing needs. Significant increases in receivables and deferred revenues, offset by a large decrease in unreserved fund balance, reflected the impacts of damage sustained in the 2005 storms.

FIRE PROTECTION DISTRICT - SPECIAL REVENUE FUND

The Fire Protection District provides fire protection to the unincorporated areas of the County as well as the cities of Camarillo, Moorpark, Ojai, Port Hueneme, Simi Valley, and Thousand Oaks. Support is derived principally from property taxes. This fund had an unreserved fund balance of \$32,295,000, of which \$18,598,000 were designated by the Board for capital asset acquisitions and replacements and future year financing needs. Reserved fund balance increased by 62 percent, primarily relating to encumbrances for the Latigo and Fire Communications Center projects, with an offsetting decrease in unreserved fund balance of 21 percent.

NON-MAJOR GOVERNMENTAL FUNDS

Other governmental funds had unreserved fund balances totaling \$10,267,000, including designated fund balances for various projects and future year financing needs of \$3,160,000.

Note 11 - Net Assets/ Fund Balances provides additional information on reserved and designated fund balances.

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

The following schedule presents a summary of revenues and other financing sources, expenditures and other financing uses, and net changes in fund balances for the County's major and non-major funds for the current and previous fiscal years.

Governmental Funds
Comparative Schedule of Revenues, Expenditures, and Changes in Fund Balances
For the Fiscal Years Ended June 30, 2005 and 2004
(In Thousands)

	Revenues, Other Financing Sources and Changes in Reserve for Inventories		Expenditures, Other Financing Uses and Changes in Reserve for Inventories		Net Change in Fund Balances		Increase (Decrease) Change
	2005	2004	2005	2004	2005	2004	
General Fund	\$ 754,066	\$ 674,248	\$ 714,377	\$ 680,474	\$ 39,689	\$ (6,226)	\$ 45,915
Roads	23,006	26,113	29,109	25,608	(6,103)	505	(6,608)
Watershed Protection Districts	34,614	37,369	45,407	26,936	(10,793)	10,433	(21,226)
Fire Protection District	99,749	119,267	102,510	94,865	(2,761)	24,402	(27,163)
Non-major funds	91,009	155,011	91,793	162,938	(784)	(7,927)	7,143
Total	<u>\$ 1,002,444</u>	<u>\$ 1,012,008</u>	<u>\$ 983,196</u>	<u>\$ 990,821</u>	<u>\$ 19,248</u>	<u>\$ 21,187</u>	<u>\$ (1,939)</u>

GENERAL FUND

At June 30, 2005, fund balance increased by \$39,689,000 compared with a decrease of \$6,226,000 in 2003-04. Contributing to this increase are growth in property taxes, the recognition of the VLF Gap Loan, which the State repaid in July 2005, and increases in charges for services. Expenditures increased in 2004-05 principally in public protection largely as a result of increased retirement costs, a full year of operational costs related to the Juvenile Detention Center, and a reorganization that transferred accounting for solid waste activities from a special revenue fund.

ROADS

Fund balance decreased at June 30, 2005 by \$6,103,000, compared with an increase in the prior year of \$505,000. The primary reason for the decrease was an increase in expenditures relating to repairs and maintenance costs necessitated by damages sustained during the 2005 storms. While these expenditures are subject to reimbursement by the Federal Emergency Management Agency (FEMA) and the California Office of Emergency Services (OES), receipt is expected well after the County's six-month availability period; therefore, such funds were reported as deferred revenue in the Balance Sheet - Governmental Funds. Estimated reimbursements have been reported as revenue in the Statement of Activities.

WATERSHED PROTECTION DISTRICTS

The Districts' fund balance decreased by \$10,793,000 in 2004-05, compared with an increase in the prior year of \$10,433,000. The primary reason for the increase in the prior year's fund balance was the recognition of one-time proceeds from the sale of capital assets of about \$8.8 million. In addition, significant damage was sustained during the 2005 storms, which resulted in an increase in debris removal and repairs expenditures in 2004-05. Reimbursements from FEMA and OES were reported as deferred revenue in the Balance Sheet - Governmental Funds and as revenue in the Statement of Activities.

FIRE PROTECTION DISTRICT

Fund balance at June 30, 2005 reflects a decrease of \$2,761,000, compared with an increase in 2003-04 of \$24,402,000. Prior year fund balance increased principally due to the one-time receipt of property taxes exceeding \$29 million from the Education Realignment Augmentation Fund (ERAF) as a result of a court ruling that affirmed the County's revised calculation of the 1993-94 ERAF shift. Increased expenditures in 2004-05 primarily resulted from higher retirement and workers' compensation costs.

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

NON-MAJOR GOVERNMENTAL FUNDS

Fund balances at June 30, 2005 decreased by \$784,000, compared with a prior year decrease of \$7,927,000. The prior year decrease was principally attributable to the Public Financing Authority (PFA) capital project fund, which reported a loss offset by increases in debt service funds.

Proprietary Funds. The County's proprietary funds provide the same type of information found in the government-wide business-type activity financial statements, but in more detail. The table below depicts current year and prior year Enterprise Fund actual revenues, expenses and changes in net assets:

Summary of Revenues, Expenses, and Changes in Fund Net Assets					
Enterprise Funds					
For the Fiscal Year Ended June 30, 2005					
(In Thousands)					
	Major Funds				
	Medical Center	Department of Airports	Waterworks Districts	Non-major Funds	Total
Operating revenues	\$152,583	\$ 4,707	\$ 20,437	\$ 29,089	\$ 206,816
Operating expenses	(159,069)	(5,715)	(17,127)	(30,824)	(212,735)
Operating income (loss)	(6,486)	(1,008)	3,310	(1,735)	(5,919)
Non-operating revenues (expenses), net	(1,202)	4,683	1,122	(1,064)	3,539
Income (loss) before transfers	(7,688)	3,675	4,432	(2,799)	(2,380)
Transfers	10,869	-	(40)	3,599	14,428
Change in net assets	3,181	3,675	4,392	800	12,048
Net assets - beginning	38,520	36,350	89,358	25,648	189,876
Net assets - ending	\$ 41,701	\$ 40,025	\$ 93,750	\$ 26,448	\$ 201,924

Summary of Revenues, Expenses, and Changes in Fund Net Assets					
Enterprise Funds					
For the Fiscal Year Ended June 30, 2004					
(In Thousands)					
	Major Funds				
	Medical Center	Department of Airports	Waterworks Districts	Non-major Funds	Total
Operating revenues	\$140,130	\$ 4,716	\$ 18,286	\$ 27,481	\$190,613
Operating expenses	(145,240)	(5,311)	(18,120)	(27,458)	(196,129)
Operating income (loss)	(5,110)	(595)	166	23	(5,516)
Non-operating revenues (expenses), net	(701)	1,893	501	332	2,025
Income (loss) before transfers	(5,811)	1,298	667	355	(3,491)
Transfers	5,420	-	(104)	407	5,723
Change in net assets	(391)	1,298	563	762	2,232
Net assets - beginning	38,911	35,052	88,795	24,886	187,644
Net assets - ending	\$ 38,520	\$ 36,350	\$ 89,358	\$ 25,648	\$189,876

The net loss before transfers of (\$2,380,000) for all enterprise funds resulted primarily from a net loss of (\$7,688,000) for the Medical Center. The net loss for the Medical Center before contributions and transfers increased by \$1,877,000 when compared to the prior year. Additional information is provided on page 29.

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

GENERAL FUND BUDGETARY HIGHLIGHTS

Original Budget Compared to Final Budget, June 30, 2005

Appropriations for the General Fund final budget, including transfers out, exceeded the original budget by \$23,559,000. Some of the larger changes are summarized below.

Appropriations for transfers out increased by about \$20,531,000. Approximately \$12.5 million related to certain debt service costs budgeted in the General Fund for control purposes but reported in non-major debt service funds, offset by decreases in debt service appropriations. In addition, about \$7.2 million of the transfers were subsidies to other funds for a variety of purposes such as capital asset acquisitions, storm damage costs, and beach area maintenance costs. Approximately \$10,294,000 of the increase was attributable to higher estimates of salaries and benefits and services and supplies related to various public protection, health and sanitation, and public assistance programs, offset by reductions in general government. For control purposes, vacation buydowns, a component of salaries and benefits expenditures, are budgeted in a General Fund budget unit (Special Accounts and Contributions) managed by the County Executive Office. Appropriations are transferred as related expenditures are incurred. Over \$7 million were transferred during 2004-05 from general government to the other functions as a result of vacation buydowns. Services and supplies increases were primarily in the health and sanitation, public protection, and public assistance functions. Final appropriations for capital outlay exceeded the original budget by \$6,444,000. Some of the major adjustments related to the Sheriff Department Crime Lab, Lab Information Systems, and Records Management Systems projects (\$1.8 million) and the elevator modernization, El Rio sewer, Lang Dam, and seismic retrofit projects (\$3.5 million).

Final Budget Compared to Actual Expenditures and Revenues, June 30, 2005

The final budget appropriations exceeded actual expenditures including transfers out by \$53,148,000 while the final budget estimated revenues exceeded actual revenues including transfers in and proceeds of debt by \$3,066,000. The resulting combined positive budgetary variance was \$50,082,000. The largest revenue shortage was \$2,633,000 in revenue from the use of money and property. Estimated rents relating to the Saticoy yard project were not realized because the project's completion was delayed by severe storms. The largest expenditure savings were \$31,791,000 in services and supplies and \$11,764,000 in salaries and benefits. Among the major reasons for the under-expenditures in services and supplies were appropriations for special projects (digital imaging, pest eradication), which were encumbered or rebudgeted in 2005-06, and over-estimated appropriations for certain contracts. Salaries and benefit costs in public assistance and health and sanitation services were less than the final budget due to vacancy rates ranging from 10 to 17 percent.

Budgetary information is included in the Required Supplementary Information (RSI) section including Notes to the RSI.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets - Government-wide Financial Statements

The County's investment in capital assets for its governmental and business-type activities as of June 30, 2005, (at cost) amounted to \$1,466,965,000 or \$1,095,366,000 (net of accumulated depreciation). This investment in capital assets includes land and land improvements, structures and improvements, equipment, vehicles, infrastructure, and construction in progress. The total increase in the County's investment in capital assets, net of related debt for the current period was 3 percent.

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

For government-wide financial statement presentation, all depreciable capital assets were depreciated from acquisition date to the end of the current fiscal year. Governmental fund financial statements record capital asset purchases as expenditures.

Capital assets for the governmental and business-type activities are presented below to illustrate changes from the prior year (in thousands):

	Governmental activities		Business-type activities		Total		Increase (Decrease) Percent of Change
	2005	2004	2005	2004	2005	2004	
Land and improvements	\$ 218,838	\$ 215,532	\$ 57,853	\$ 52,301	\$ 276,691	\$ 267,833	3.31%
Structures and improvements	368,616	354,259	140,626	138,504	509,242	492,763	3.34%
Equipment	119,376	115,138	35,027	28,696	154,403	143,834	7.35%
Vehicles	62,254	63,354	577	529	62,831	63,883	(1.65%)
Infrastructure	372,954	348,999	-	-	372,954	348,999	6.86%
Construction in progress	55,590	67,011	35,254	32,919	90,844	99,930	(9.09%)
Total	<u>\$ 1,197,628</u>	<u>\$ 1,164,293</u>	<u>\$ 269,337</u>	<u>\$ 252,949</u>	<u>\$ 1,466,965</u>	<u>\$ 1,417,242</u>	3.51%

Major capital asset events during the current fiscal year included the following:

Construction in progress had a net decrease of \$9,086,000. Additions totaling \$40,214,000 included Watershed Protection projects (\$8,635,000), Medical Center improvements (\$3,239,000), Road construction projects (\$4,882,000), Fire Protection District projects (\$7,677,000), and various other projects (\$15,781,000). Construction in progress was reduced by \$49,300,000 including transfers of completed projects of \$49,051,000 to structures and improvements and equipment.

The County's infrastructure assets for both the watershed protection network and the roads network are recorded at historical cost in the government-wide financial statements as required by GASB 34.

Additional information on capital asset activity is provided in Note 7 of the Notes to the Basic Financial Statements.

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

Debt Administration - Government-wide Financial Statements

At June 30, 2005, the County had total debt outstanding of \$181,718,000, excluding capital leases, compensated absences and other liabilities. The following table summarizes the categories of debt. During the year, retirement of debt amounted to \$33,280,000. Additions amounted to \$5,000,000. The following table summarizes the debt outstanding balances at June 30, 2005 and 2004 (in thousands):

	Governmental Activities		Business-type Activities		Total	
	2005	2004	2005	2004	2005	2004
Certificates of participation and lease revenue bonds	\$ 72,463	\$ 77,354	\$ 26,512	\$ 29,051	\$ 98,975	\$ 106,405
Tax exempt commercial paper	19,431	21,659	3,269	3,341	22,700	25,000
Loans payable	869	999	3,674	4,124	4,543	5,123
Pension obligation bonds	55,500	73,470	-	-	55,500	73,470
	<u>\$ 148,263</u>	<u>\$ 173,482</u>	<u>\$ 33,455</u>	<u>\$ 36,516</u>	<u>\$ 181,718</u>	<u>\$ 209,998</u>

For the fiscal year 2004-05, County debt limit is determined by statute at 1.25 percent of total assessed valuation or approximately \$985,728,000. The general obligation debt subject to the debt limit is \$181,718,000 which is under the limit by \$804,010,000.

The County's debt utilization policy establishes the review process by the Financial Planning Committee before submission to the Board of Supervisors and central coordination by the County Executive Officer. The policy outlines a fiscally conservative basis for borrowing to include short-term needs and borrowing for certain assets with substantial economic lives. The benchmarks include County debt outstanding at less than one percent of the assessed valuation and debt service payments not greater than six percent of total General Fund expenditures.

The County, like other local governments, has an annual borrowing program which finances operations during periods of low cash flows due to periodic collection dates for property taxes. On July 1, 2004, the County issued \$145,000,000 in Tax and Revenue Anticipation Notes (TRANs). Standard & Poor's Corporation and Moody's Investors Services gave the TRANs the highest rating for short-term securities of SP-1+ and MIG 1, respectively. At June 30, 2005, the outstanding balance was \$145,000,000 and was paid with interest on July 1, 2005, the maturity date of the notes.

Additional information on long-term debt activity is provided in Note 10 of the Notes to the Basic Financial Statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

- The fiscal year 2005-06 adopted budget for all County funds totals \$1,466,656,000, a 7.1 percent increase when compared to the prior year. The General Fund 2005-06 budget of \$810,512,000 was structurally balanced using projected ongoing available financing sources. Year-end fund balance is not considered an ongoing financing source and is used to finance reserve and designation adjustments and one-time expenditures.

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

- The State deferred payment of the counties' share of motor vehicle license fees for 2003-04, known as the VLF Gap Loan. The adopted State budget accelerated the repayment of the VLF Gap Loan to counties from fiscal year 2006-07 to 2005-06. The County appropriated about \$16.2 million in the 2005-06 adopted budget and received the repayment in July 2005.
- Assessed property valuations increased by over 10 percent for the 2005-06 fiscal year when compared with 2004-05. Property tax revenues were conservatively budgeted with an increase of about 5 percent as the County's budget was adopted prior to the close of the local tax roll.
- The 2005-06 budget includes increases in salaries and benefits of 11 percent as compared to the prior year's actual expenditures, including an increase of 32 percent in retirement contributions.
- The 2005-06 State budget eliminated grants for property tax collection programs (estimated \$1.5 million of revenue loss) and did not provide funds for the November 2005 special election (estimated expenditures of \$800,000).

Additional information is provided in Notes 15 and 16 of the Notes to the Basic Financial Statements, as well as the transmittal letter on page 5 of this report.

REQUESTS FOR INFORMATION

County information is available on-line at www.countyofventura.org.

The financial report is designed to provide a general overview of the County's finances for all those with an interest in the government's finances. Further requests for information on this report or for the separate reports for the Public Facilities Corporation or the Public Financing Authority should be addressed to the Auditor-Controller, 800 South Victoria Avenue, Ventura, CA 93009-1540.

Questions concerning any of the information provided in this report regarding the discretely presented component unit, Children and Families First Commission, or requests for additional information should be addressed to the Executive Director, 2850 East Main Street, Suite 302, Ventura, CA 93003.

Questions concerning any of the information provided in this report or requests for additional information on the separate financial report of VCERA should be addressed to the Retirement Administrator, 1190 South Victoria Avenue, Suite 200, Ventura, CA 93003-6572.

BASIC FINANCIAL STATEMENTS



COUNTY OF VENTURA
STATEMENT OF NET ASSETS
JUNE 30, 2005
(In Thousands)

ASSETS	Primary Government			Discretely Presented Component Unit
	Governmental Activities	Business-type Activities	Total	
Cash and investments (Note 3)	\$ 614,967	\$ 53,306	\$ 668,273	\$ 40,118
Receivables, net (Note 5)	126,755	35,822	162,577	2,129
Internal balances (Note 6)	(4,666)	4,666	-	-
Due from primary government	-	-	-	53
Due from other governmental agencies	354	-	354	-
Inventories and other assets	5,738	2,024	7,762	-
Loans and other long-term receivables (Note 5)	24,187	1,057	25,244	-
Deferred charges	786	315	1,101	-
Unamortized bond discount	360	-	360	-
Restricted cash and investments (Note 3)	451	4,965	5,416	-
Capital assets (Note 7):				
Nondepreciable	273,123	55,898	329,021	-
Depreciable, net	650,022	116,323	766,345	-
Total assets	<u>\$ 1,692,077</u>	<u>\$ 274,376</u>	<u>\$ 1,966,453</u>	<u>\$ 42,300</u>
LIABILITIES				
Accounts payable	\$ 29,946	\$ 7,937	\$ 37,883	\$ 3,410
Tax and revenue anticipation notes payable (Note 13)	145,000	-	145,000	-
Accrued liabilities (Note 8)	65,841	15,751	81,592	22
Due to component unit	53	-	53	-
Due to other government agencies	1,101	-	1,101	-
Unearned revenue	25,717	1,691	27,408	-
Deposits	-	321	321	-
Other liabilities	-	429	429	-
Long-term liabilities (Note 10):				
Due within one year	89,413	8,109	97,522	-
Due beyond one year	191,626	38,057	229,683	-
Total liabilities	<u>548,697</u>	<u>72,295</u>	<u>620,992</u>	<u>3,432</u>
NET ASSETS				
Invested in capital assets, net of related debt (Notes 7 & 10)	830,898	142,138	973,036	-
Restricted (Note 11):				
By creditors	451	3,361	3,812	383
By grantors	57,532	1,396	58,928	-
By regulations of other governments	-	1,620	1,620	-
Unrestricted	254,499	53,566	308,065	38,485
Total net assets	<u>1,143,380</u>	<u>202,081</u>	<u>1,345,461</u>	<u>38,868</u>
Total liabilities and net assets	<u>\$ 1,692,077</u>	<u>\$ 274,376</u>	<u>\$ 1,966,453</u>	<u>\$ 42,300</u>

See accompanying notes to the basic financial statements

COUNTY OF VENTURA
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2005
(In Thousands)

		Program Revenues		
		Charges for	Operating	Capital
	Expenses	Services	Grants and	Grants and
			Contributions	Contributions
Functions/Programs:				
Primary government				
Governmental activities:				
General government	\$ 85,789	\$ 47,808	\$ 17,434	\$ 146
Public protection	472,094	125,971	121,741	4,917
Public ways and facilities	25,657	832	13,519	5,946
Health and sanitation services	101,478	34,184	59,904	-
Public assistance	167,978	2,718	155,334	4,082
Education	9,551	414	2,254	106
Interest on long-term debt	12,026	-	-	-
Total governmental activities	<u>874,573</u>	<u>211,927</u>	<u>370,186</u>	<u>15,197</u>
Business-type activities:				
Medical Center	160,443	152,668	-	-
Department of Airports	5,801	4,712	-	4,687
Waterworks Districts - Water	13,193	15,348	-	194
Waterworks Districts - Sewer	3,889	5,130	-	176
Parks Department	4,662	3,030	-	2,007
Channel Islands Harbor Expansion	1,327	1,744	-	-
Channel Islands Harbor	11,629	6,617	207	-
Health Care Plan	17,680	17,569	-	-
Oak View School Preservation	81	155	-	-
Total business-type activities	<u>218,705</u>	<u>206,973</u>	<u>207</u>	<u>7,064</u>
Total primary government	<u>\$ 1,093,278</u>	<u>\$ 418,900</u>	<u>\$ 370,393</u>	<u>\$ 22,261</u>
Component unit:				
Children and Families First Commission	<u>\$ 13,521</u>	<u>\$ -</u>	<u>\$ 11,129</u>	<u>\$ -</u>

General revenues:

Taxes:

Property taxes

Property transfer taxes

Sales and use taxes

Unrestricted aid from other governmental units

Other

Unrestricted motor vehicle in-lieu taxes

Unrestricted interest and investment earnings

Transfers

Total general revenues and transfers

Change in net assets

Net assets - July 1, 2004

Net assets - June 30, 2005

See accompanying notes to the basic financial statements

COUNTY OF VENTURA
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2005
(In Thousands)

Net (Expenses) Revenues and Changes in Net Assets				
Primary Government			Discretely Presented Component Unit	
Governmental Activities	Business- type Activities	Total		
\$ (20,401)	\$ -	\$ (20,401)	\$ -	Functions/Programs:
(219,465)	-	(219,465)	-	Primary government
(5,360)	-	(5,360)	-	Governmental activities:
(7,390)	-	(7,390)	-	General government
(5,844)	-	(5,844)	-	Public protection
(6,777)	-	(6,777)	-	Public ways and facilities
(12,026)	-	(12,026)	-	Health and sanitation services
(277,263)	-	(277,263)	-	Public assistance
				Education
				Interest on long-term debt
				Total governmental activities
-	(7,775)	(7,775)	-	Business-type activities:
-	3,598	3,598	-	Medical Center
-	2,349	2,349	-	Department of Airports
-	1,417	1,417	-	Waterworks Districts - Water
-	375	375	-	Waterworks Districts - Sewer
-	417	417	-	Parks Department
-	(4,805)	(4,805)	-	Channel Islands Harbor Expansion
-	(111)	(111)	-	Channel Islands Harbor
-	74	74	-	Health Care Plan
-	(4,461)	(4,461)	-	Oak View School Preservation
				Total business-type activities
(277,263)	(4,461)	(281,724)		Total primary government
			(2,392)	Component unit:
				Children and Families First Commission
286,957	-	286,957	-	
7,239	-	7,239	-	
10,122	-	10,122	-	
13,851	-	13,851	-	
19,628	984	20,612	-	
112	-	112	-	
12,067	1,477	13,544	1,010	
(14,428)	14,428	-	-	
335,548	16,889	352,437	1,010	
58,285	12,428	70,713	(1,382)	
1,085,095	189,653	1,274,748	40,250	
\$ 1,143,380	\$ 202,081	\$ 1,345,461	\$ 38,868	

COUNTY OF VENTURA
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2005
(In Thousands)

	Total	General Fund	Roads
<u>ASSETS</u>			
Cash and investments (Note 3)	\$ 506,933	\$ 306,733	\$ 39,352
Receivables, net (Note 5)	123,207	91,839	11,793
Due from other funds (Note 6)	7,003	3,817	798
Due from other governmental agencies	191	191	-
Inventories and other assets	3,222	2,363	-
Loans receivable (Note 5)	2,051	1,226	-
Long-term receivables (Note 5)	21,867	21,867	-
Advances to other funds (Note 6)	60	-	-
Total assets	<u>\$ 664,534</u>	<u>\$ 428,036</u>	<u>\$ 51,943</u>
<u>LIABILITIES</u>			
Accounts payable	\$ 22,811	\$ 13,207	\$ 1,477
Accrued liabilities (Note 8)	63,805	58,632	512
Tax and revenue anticipation notes payable (Note 13)	145,000	145,000	-
Due to other funds (Note 6)	20,792	12,271	2,032
Due to other governmental agencies	1,034	1,034	-
Due to component unit	53	53	-
Deferred revenue	60,083	44,826	8,885
Total liabilities	<u>313,578</u>	<u>275,023</u>	<u>12,906</u>
<u>FUND BALANCES</u>			
Reserved (Note 11)	88,109	39,008	2,311
Unreserved, designated	118,073	40,509	11,454
Unreserved, undesignated reported in (Note 11):			
General fund	73,496	73,496	-
Special revenue funds	71,960	-	25,272
Capital projects funds	(686)	-	-
Permanent funds	4	-	-
Total fund balances	<u>350,956</u>	<u>153,013</u>	<u>39,037</u>
Total liabilities and fund balances	<u>\$ 664,534</u>	<u>\$ 428,036</u>	<u>\$ 51,943</u>

See accompanying notes to the basic financial statements

COUNTY OF VENTURA
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2005
(In Thousands)

Watershed Protection Districts	Fire Protection District	Non-Major Governmental Funds	
\$ 84,469	\$ 47,457	\$ 28,922	ASSETS
12,533	3,832	3,210	Cash and investments (Note 3)
281	1,083	1,024	Receivables, net (Note 5)
-	-	-	Due from other funds (Note 6)
-	826	33	Due from other governmental agencies
-	-	825	Inventories and other assets
-	-	-	Loans receivable (Note 5)
-	-	-	Long-term receivables (Note 5)
-	-	60	Advances to other funds (Note 6)
<u>\$ 97,283</u>	<u>\$ 53,198</u>	<u>\$ 34,074</u>	Total assets
			LIABILITIES
\$ 4,554	\$ 2,091	\$ 1,482	Accounts payable
172	2,641	1,848	Accrued liabilities (Note 8)
-	-	-	Tax and revenue anticipation notes payable (Note 13)
2,698	336	3,455	Due to other funds (Note 6)
-	-	-	Due to other governmental agencies
-	-	-	Due to component unit
6,291	15	66	Deferred revenue
<u>13,715</u>	<u>5,083</u>	<u>6,851</u>	Total liabilities
			FUND BALANCES
14,014	15,820	16,956	Reserved (Note 11)
44,352	18,598	3,160	Unreserved, designated
-	-	-	Unreserved, undesignated reported in (Note 11):
25,202	13,697	7,789	General fund
-	-	(686)	Special revenue funds
-	-	4	Capital projects funds
<u>83,568</u>	<u>48,115</u>	<u>27,223</u>	Permanent funds
			Total fund balances
<u>\$ 97,283</u>	<u>\$ 53,198</u>	<u>\$ 34,074</u>	Total liabilities and fund balances

(Continued)

COUNTY OF VENTURA
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE GOVERNMENT-WIDE STATEMENT OF NET ASSETS - GOVERNMENTAL ACTIVITIES
JUNE 30, 2005
(In Thousands)
(Continued)

Fund balances - total governmental funds **\$ 350,956**

Amounts reported for governmental activities in the
statement of net assets are different because:

Capital assets used in governmental activities are not financial resources
and, therefore, are not reported in the governmental funds. 890,349

Other long-term assets are not available to pay for current-period
expenditures and, therefore, are not reported as revenues in the
governmental funds.

Long-term receivables	36,367	
Deferred charges	786	
Unamortized bond discount	360	
	37,513	37,513

Internal service funds are used by management to charge the costs of
certain activities to individual funds and primarily serve governmental funds.
Consequently, the assets and liabilities of Internal Service Funds are incorporated
as part of governmental activities for purposes of government-wide financial
reporting. In addition, the internal balance resulting from the allocation
of Internal Service Funds to Business-type activities is also reported in the
Statement of Net Assets.

59,352

Long-term liabilities, including bonds payable, are not due and payable in the
current period and, therefore, are not reported in the governmental funds.

Certificates of participation	(68,748)	
Tax exempt commercial paper	(17,927)	
Loans payable	(869)	
Pension obligation bonds	(55,500)	
Compensated absences	(46,913)	
Other liabilities	(1,021)	
Accrued interest payable	(1,701)	
Accrued pension obligation	(309)	
Unamortized bond premium	(1,802)	
	(194,790)	(194,790)

Net assets of governmental activities **\$ 1,143,380**

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COUNTY OF VENTURA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2005
(In Thousands)

	Total	General Fund	Roads
Revenues:			
Taxes	\$ 304,306	\$ 200,533	\$ 1,420
Licenses, permits, and franchises	17,843	16,370	347
Fines, forfeitures, and penalties	17,531	17,142	294
Revenues from use of money and property	10,733	5,662	746
Aid from other governmental units	408,364	338,851	17,159
Charges for services	136,752	122,121	-
Other	61,849	29,641	2,542
Total revenues	<u>957,378</u>	<u>730,320</u>	<u>22,508</u>
Expenditures:			
Current:			
General government	72,000	71,900	-
Public protection	470,576	320,611	-
Public ways and facilities	24,409	-	24,155
Health and sanitation services	102,004	102,004	-
Public assistance	169,201	153,945	-
Education	9,783	624	-
Capital outlay	37,519	9,643	4,923
Debt service:			
Principal retirement	28,605	-	-
Interest and fiscal charges	12,052	4,394	-
Total expenditures	<u>926,149</u>	<u>663,121</u>	<u>29,078</u>
Excess (deficiency) of revenues over (under) expenditures	<u>31,229</u>	<u>67,199</u>	<u>(6,570)</u>
Other financing sources (uses):			
Proceeds from sale of capital assets	199	-	48
Proceeds of long-term debt	4,423	-	-
Transfers in	40,205	23,746	450
Transfers out	(57,038)	(51,247)	(31)
Total other financing sources (uses)	<u>(12,211)</u>	<u>(27,501)</u>	<u>467</u>
Net change in fund balances	<u>19,018</u>	<u>39,698</u>	<u>(6,103)</u>
Fund balances - beginning	331,708	113,324	45,140
Change in reserve for inventory	<u>230</u>	<u>(9)</u>	<u>-</u>
Fund balances - ending	<u>\$ 350,956</u>	<u>\$ 153,013</u>	<u>\$ 39,037</u>

See accompanying notes to the basic financial statements

COUNTY OF VENTURA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2005
(In Thousands)

Watershed Protection Districts	Fire Protection District	Non-Major Governmental Funds
\$ 12,297	\$ 81,880	\$ 8,176
163	963	-
36	52	7
2,216	1,121	988
7,161	10,385	34,808
12,650	815	1,166
-	4,250	25,416
<u>34,523</u>	<u>99,466</u>	<u>70,561</u>
-	-	100
35,251	91,789	22,925
-	-	254
-	-	-
-	-	15,256
-	-	9,159
9,775	9,949	3,229
-	498	28,107
-	24	7,634
<u>45,026</u>	<u>102,260</u>	<u>86,664</u>
<u>(10,503)</u>	<u>(2,794)</u>	<u>(16,103)</u>
91	60	-
-	-	4,423
-	-	16,009
<u>(381)</u>	<u>(250)</u>	<u>(5,129)</u>
<u>(290)</u>	<u>(190)</u>	<u>15,303</u>
<u>(10,793)</u>	<u>(2,984)</u>	<u>(800)</u>
94,361	50,876	28,007
-	223	16
<u>\$ 83,568</u>	<u>\$ 48,115</u>	<u>\$ 27,223</u>

Revenues:

Taxes
Licenses, permits, and franchises
Fines, forfeitures, and penalties
Revenues from use of money and property
Aid from other governmental units
Charges for services
Other
Total revenues

Expenditures:

Current:

General government
Public protection
Public ways and facilities
Health and sanitation services
Public assistance
Education
Capital outlay

Debt service:

Principal retirement
Interest and fiscal charges
Total expenditures

Excess (deficiency) of revenues over
(under) expenditures

Other financing sources (uses):

Proceeds from sale of capital assets
Proceeds of long-term debt
Transfers in
Transfers out
Total other financing sources (uses)

Net change in fund balances

Fund balances - beginning
Changes in reserve for inventory
Fund balances - ending

(Continued)

COUNTY OF VENTURA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE
GOVERNMENT-WIDE STATEMENT OF ACTIVITIES - GOVERNMENTAL ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2005
(In Thousands)
(Continued)

Net change in fund balances - total governmental funds \$19,018

The County uses the purchases method of recording inventories, recording expenditures when purchased by governmental funds. Significant supplies at year-end are recorded as assets with a corresponding credit to reserved fund balances to indicate that such amounts are not available for future appropriations by the governmental funds.

230

Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlay as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Expenditures for general capital assets, infrastructure, and other related capital assets adjustment	\$ 37,519	
Plus gain from disposal of capital assets	485	
Less current year depreciation	<u>(19,753)</u>	18,251

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. (6,542)

Bond issuance costs, discounts, and premiums are expenditures in the governmental funds but are reported as deferred charges and unamortized bond discounts and premiums in the statement of net assets and amortized over the term of the bond.

Deferred charges	(65)	
Bond discounts	(30)	
Bond premiums	<u>151</u>	56

Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.

Principal repayments:

Certificates of participation	4,661	
Tax exempt commercial paper	5,844	
Loans payable	130	
Pension obligation bonds	<u>17,970</u>	28,605

Proceeds from long-term debt are reported as other financing sources in the governmental funds, but increase long-term liabilities in the statement of net assets.

Tax exempt commercial paper	(4,423)
-----------------------------	---------

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Accrued pension obligation	(15)	
Accrued interest expense	120	
Change in other liabilities	7	
Change in compensated absences	<u>(2,193)</u>	(2,081)

Internal service funds are used by management to charge the costs of certain activities to individual funds. The internal balance resulting from the allocation of Internal Service Funds to Business-type activities is also reported.

5,171

Change in net assets of governmental activities

\$ 58,285

See accompanying notes to the basic financial statements

COUNTY OF VENTURA
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
JUNE 30, 2005
(In Thousands)

	Business-type Activities - Enterprise Funds					Governmental Activities
	Total Enterprise Funds	Medical Center	Department of Airports	Waterworks Districts	Non-major Enterprise Funds	Internal Service Funds
ASSETS						
Current assets:						
Cash and investments (Note 3)	\$ 53,306	\$ 2,494	\$ 4,159	\$ 34,808	\$ 11,845	\$ 108,034
Receivables, net (Note 5)	35,822	28,681	911	3,298	2,932	3,548
Due from other funds (Note 6)	6,658	4,248	10	66	2,334	11,302
Due from other governmental agencies	-	-	-	-	-	163
Advances to other funds (Note 6)	203	-	-	203	-	-
Inventories and other assets	2,024	729	-	278	1,017	2,516
Restricted cash and investments (Note 3)	4,965	3,289	-	-	1,676	451
Deferred charges	315	315	-	-	-	-
Total current assets	103,293	39,756	5,080	38,653	19,804	126,014
Noncurrent assets:						
Long-term receivables	1,057	-	201	-	856	269
Capital assets (Note 7):						
Nondepreciable:						
Land	20,644	396	8,348	2,368	9,532	834
Construction in progress	35,254	26,142	1,539	4,108	3,465	75
Depreciable:						
Land improvements	37,209	1,084	29,952	1,497	4,676	-
Structures and improvements	140,626	41,816	15,089	68,560	15,161	4,828
Equipment/Vehicles	35,604	29,811	1,057	2,988	1,748	82,713
Less accumulated depreciation	(97,116)	(44,791)	(19,341)	(19,629)	(13,355)	(55,654)
Total noncurrent assets	173,278	54,458	36,845	59,892	22,083	33,065
Total assets	276,571	94,214	41,925	98,545	41,887	159,079
LIABILITIES						
Current liabilities:						
Accounts payable	7,937	5,207	224	1,590	916	5,434
Short-term compensated absences (Note 10)	2,717	2,439	92	-	186	3,245
Accrued liabilities (Note 8)	15,751	9,448	77	489	5,737	2,036
Due to other funds (Note 6)	2,089	476	48	612	953	2,082
Due to other governmental agencies	-	-	-	-	-	67
Current portion of long-term liabilities (Note 10)	4,191	3,230	419	68	474	1,304
Total current liabilities	32,685	20,800	860	2,759	8,266	14,168
Noncurrent liabilities:						
Unearned revenue	1,691	-	65	511	1,115	2,002
Claims liabilities (Note 14)	2,921	-	-	-	2,921	76,531
Other liabilities	429	429	-	-	-	-
Advances from other funds (Note 6)	263	-	-	60	203	-
Unamortized bond premium	-	-	-	-	-	109
Deposits	321	-	321	-	-	-
Long-term compensated absences (Note 10)	1,637	1,436	65	-	136	2,231
Medical malpractice liability (Note 14)	4,696	4,696	-	-	-	-
Noncurrent portion of long-term liabilities (Note 10)	30,004	25,152	589	1,465	2,798	4,529
Total noncurrent liabilities	41,962	31,713	1,040	2,036	7,173	85,402
Total liabilities	74,647	52,513	1,900	4,795	15,439	99,570
NET ASSETS						
Invested in capital assets, net of related debt	142,138	29,365	36,283	58,359	18,131	28,028
Restricted (Note 11)	6,377	3,289	-	66	3,022	451
Unrestricted	53,409	9,047	3,742	35,325	5,295	31,030
Total net assets	201,924	\$ 41,701	\$ 40,025	\$ 93,750	\$ 26,448	\$ 59,509
Adjustment to allocate the internal service fund income related to enterprise funds	157					
Total net assets of business-type activities	\$ 202,081					

See accompanying notes to the basic financial statements

COUNTY OF VENTURA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2005
(In Thousands)

	Business-type Activities - Enterprise Funds					Governmental Activities
	Total	Medical Center	Department of Airports	Waterworks Districts	Non-major Enterprise Funds	Internal Service Funds
Operating Revenues:						
Charges for services	\$196,356	\$152,583	\$ 557	\$ 20,226	\$ 22,990	\$ 171,716
Rents and royalties	10,449	-	4,150	211	6,088	-
Miscellaneous	11	-	-	-	11	56
Total operating revenues	<u>206,816</u>	<u>152,583</u>	<u>4,707</u>	<u>20,437</u>	<u>29,089</u>	<u>171,772</u>
Operating Expenses:						
Salaries and benefits	87,036	81,477	2,106	-	3,453	63,827
Services and supplies	94,012	66,250	1,472	15,642	10,648	60,329
Insurance premiums	6,750	6,044	134	-	572	6,299
Utilities	2,185	1,653	203	-	329	-
Provision for claims	15,128	-	-	-	15,128	32,301
Depreciation and amortization	7,624	3,645	1,800	1,485	694	7,378
Total operating expenses	<u>212,735</u>	<u>159,069</u>	<u>5,715</u>	<u>17,127</u>	<u>30,824</u>	<u>170,134</u>
Operating income (loss)	<u>(5,919)</u>	<u>(6,486)</u>	<u>(1,008)</u>	<u>3,310</u>	<u>(1,735)</u>	<u>1,638</u>
Nonoperating revenues (expenses):						
State and federal grants	207	-	-	-	207	23
Gain from insurance recovery	984	-	-	-	984	-
Loss from disposal of capital assets	(97)	(1)	(76)	-	(20)	(401)
Issuance costs	(33)	(33)	-	-	-	-
Interest and investment income	1,477	277	91	789	320	2,101
Interest expense	(1,640)	(1,445)	(19)	(37)	(139)	(215)
Judgments and damages	(4,423)	-	-	-	(4,423)	-
Total nonoperating revenues (expenses)	<u>(3,525)</u>	<u>(1,202)</u>	<u>(4)</u>	<u>752</u>	<u>(3,071)</u>	<u>1,508</u>
Net income (loss) before capital contributions and transfers	<u>(9,444)</u>	<u>(7,688)</u>	<u>(1,012)</u>	<u>4,062</u>	<u>(4,806)</u>	<u>3,146</u>
Capital grants and contributions	7,064	-	4,687	370	2,007	-
Transfers in	36,199	32,509	-	-	3,690	2,466
Transfers out	<u>(21,771)</u>	<u>(21,640)</u>	<u>-</u>	<u>(40)</u>	<u>(91)</u>	<u>(61)</u>
Change in net assets	12,048	3,181	3,675	4,392	800	5,551
Net assets - beginning	<u>189,876</u>	<u>38,520</u>	<u>36,350</u>	<u>89,358</u>	<u>25,648</u>	<u>53,958</u>
Net assets - ending	<u>\$201,924</u>	<u>\$ 41,701</u>	<u>\$ 40,025</u>	<u>\$ 93,750</u>	<u>\$ 26,448</u>	<u>\$ 59,509</u>
Change in net assets - total enterprise funds	\$ 12,048					
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds	<u>380</u>					
Change in net assets - business-type activities	<u>\$ 12,428</u>					

See accompanying notes to the basic financial statements

COUNTY OF VENTURA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2005
(In Thousands)

	Business-type Activities - Enterprise Funds					Governmental Activities
	Total	Medical Center	Dept. of Airports	Waterworks Districts	Non-major Enterprise Funds	Internal Service Funds
Cash flows from operating activities						
Cash receipts from customers	\$ 182,173	\$ 145,649	\$ 3,342	\$ 20,121	\$ 13,061	\$ 18,836
Cash receipts from other funds	16,747	180	1,005	197	15,365	152,648
Cash receipts from other sources	504	-	504	-	-	190
Cash paid to suppliers for goods and services	(76,804)	(55,801)	(1,525)	(10,887)	(8,591)	(45,589)
Cash paid to employees for services	(85,292)	(80,629)	(2,060)	-	(2,603)	(62,995)
Cash paid to other funds	(23,052)	(14,813)	(566)	(4,539)	(3,134)	(15,213)
Cash paid for insurance premiums	(6,394)	(6,031)	-	-	(363)	(4,689)
Cash paid for judgments and claims	(16,215)	-	-	-	(16,215)	(16,454)
Net cash provided by (used in) operating activities	(8,333)	(11,445)	700	4,892	(2,480)	26,734
Cash flows from non-capital financing activities						
Transfers received	34,999	32,509	-	-	2,490	2,386
Transfers paid	(21,771)	(21,640)	-	(40)	(91)	(61)
Interest paid on non capital debt	(180)	(180)	-	-	-	-
State and federal grant receipts	349	-	-	142	207	23
Net cash provided by non-capital financing activities	13,397	10,689	-	102	2,606	2,348
Cash flows from capital and related financing activities						
Proceeds from capital grants	5,594	-	4,687	-	907	-
Proceeds from capital contributions	16	-	-	-	16	443
Proceeds from insurance recovery	30	-	-	-	30	-
Acquisition and construction of capital assets	(14,513)	(5,168)	(5,405)	(1,737)	(2,203)	(4,224)
Principal paid on capital lease obligations	(12)	-	-	-	(12)	-
Principal paid on capital debt	(3,658)	(3,101)	(27)	(86)	(444)	(1,037)
Interest paid on capital debt	(1,497)	(1,302)	(19)	(37)	(139)	(221)
Proceeds from sales of capital assets	14	-	-	-	14	503
Net cash used in capital and related financing activities	(14,026)	(9,571)	(764)	(1,860)	(1,831)	(4,536)
Cash flows from investing activities						
Interest and investment income received	1,298	259	80	669	290	1,705
Net cash provided by investing activities	1,298	259	80	669	290	1,705
Net increase (decrease) in cash and cash equivalents	(7,664)	(10,068)	16	3,803	(1,415)	26,251
Total cash and cash equivalents, beginning of the year	60,970	12,562	4,143	31,005	13,260	81,783
Total cash and cash equivalents, end of the year	\$ 53,306	\$ 2,494	\$ 4,159	\$ 34,808	\$ 11,845	\$ 108,034

(Continued)

See accompanying notes to the basic financial statements

COUNTY OF VENTURA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2005
(In Thousands)
(Continued)

	Business-type Activities - Enterprise Funds					Governmental Activities
	Total	Medical Center	Dept. of Airports	Waterworks Districts	Non-major Enterprise Funds	Internal Service Funds
Reconciliation of operating income (loss)						
To net cash provided (used) by						
Operating activities						
Operating income (loss)	\$ (5,919)	\$ (6,486)	\$ (1,008)	\$ 3,310	\$ (1,735)	\$ 1,638
Adjustments to reconcile operating income (loss) to cash flows from operation activities:						
Depreciation and amortization	7,624	3,645	1,800	1,485	694	7,378
Decrease (increase) in:						
Receivables	(7,677)	(6,753)	105	(328)	(701)	(1,495)
Due from other funds	(3,693)	(3,610)	1	-	(84)	(1,454)
Due from other governmental agencies	-	-	-	-	-	189
Inventories and other assets	(864)	31	-	71	(966)	316
Advances to other funds	33	-	-	33	-	-
Long-term receivables	(70)	-	(70)	-	-	-
Increase (decrease) in:						
Accounts payable	(225)	(230)	(279)	(41)	325	1,553
Accrued liabilities	1,963	1,740	19	24	180	219
Due to other funds	656	(254)	9	99	802	1,430
Unearned revenue	345	-	24	239	82	815
Claims liabilities	(1,074)	13	-	-	(1,087)	15,846
Other liabilities	66	(5)	71	-	-	(197)
Advances to other funds	2	-	-	-	2	-
Compensated absences	500	464	28	-	8	496
Net cash provided by (used in) operating activities	<u>\$ (8,333)</u>	<u>\$ (11,445)</u>	<u>\$ 700</u>	<u>\$ 4,892</u>	<u>\$ (2,480)</u>	<u>\$ 26,734</u>

ENTERPRISE FUNDS

Non-cash investing, capital and financing activities include capital additions funded by debt (\$2,442) and deletions of assets (\$634). Interest on investments has been adjusted for current and prior year accruals (\$179).

INTERNAL SERVICE FUNDS

Non-cash investing, capital and financing activities include deletions of assets (\$3,903). Interest on investments has been adjusted for current and prior year accruals (\$392).

COUNTY OF VENTURA
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
JUNE 30, 2005
(In Thousands)

	Pension Trust Funds	Investment Trust	Agency
<u>ASSETS</u>			
Cash and investments (Note 3)	\$ 52,878	\$ 715,730	\$ 10,782
Receivables, net			
Accounts	-	6,932	-
Employer contributions	2,609	-	-
Employee contributions	987	-	-
Interest and dividends	3,377	-	29
Security sales	119,014	-	-
Miscellaneous	1,263	-	-
Investments (Note 3):			
Domestic equity securities	1,109,681	-	-
Domestic fixed income securities	687,253	-	-
International equity securities	334,644	-	-
Global equity	127,919	-	-
Real estate	98,154	-	-
International fixed income bonds	32,353	-	-
Collateral held for securities lent	167,385	-	-
Bond mutual funds	2,062	-	-
Equity mutual funds	6,470	-	-
Due from other governmental agencies	3	1,091	7
Total assets	<u>2,746,052</u>	<u>723,753</u>	<u>\$ 10,818</u>
<u>LIABILITIES</u>			
Accounts payable	3,586	4,153	\$ -
Other liabilities	-	-	10,818
Due to other governmental agencies	178	177	-
Security deposits payable	106	-	-
Security purchases payable	165,396	-	-
Collateral held for securities lent	167,385	-	-
Total liabilities	<u>336,651</u>	<u>4,330</u>	<u>\$ 10,818</u>
<u>NET ASSETS</u>			
Net assets held in trust for investment pool participants/pension benefits	<u>\$ 2,409,401</u>	<u>\$ 719,423</u>	

See accompanying notes to the basic financial statements

COUNTY OF VENTURA
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2005
(In Thousands)

	Pension Trust Funds	Investment Trust
ADDITIONS		
Contributions:		
Employer:		
Annual actuarially determined	\$ 52,187	\$ -
Other	6,644	-
Employee contributions	29,637	-
Contributions to investment pool	-	2,238,438
Total contributions	<u>88,468</u>	<u>2,238,438</u>
Net investment income:		
Net appreciation in fair value		
of investments	184,081	863
Interest income	16,457	16,680
Dividend income	6,375	-
Real estate income, net	5,324	-
Investment expense	<u>(5,928)</u>	<u>-</u>
Net investment income before		
securities lending income	<u>206,309</u>	<u>17,543</u>
Securities lending income:		
Earnings	3,835	-
Rebates	(3,293)	-
Fees	<u>(163)</u>	<u>-</u>
Net securities lending income	<u>379</u>	<u>-</u>
Net investment income	<u>206,688</u>	<u>17,543</u>
Total additions	<u>295,156</u>	<u>2,255,981</u>
DEDUCTIONS		
Benefit payments	110,012	-
Member refunds	3,536	-
Administrative expenses	3,155	-
Distribution to pooled participants	-	2,187,631
Total deductions	<u>116,703</u>	<u>2,187,631</u>
Change in net assets	178,453	68,350
Net assets - beginning	<u>2,230,948</u>	<u>651,073</u>
Net assets - ending	<u>\$ 2,409,401</u>	<u>\$ 719,423</u>

See accompanying notes to the basic financial statements

COUNTY OF VENTURA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A) Reporting Entity

The County of Ventura, California (“County”) is a legal subdivision of the State of California and was established as a General Law County in 1873. It is governed by an elected five-member Board of Supervisors (Board) and provides the following services: general government, public protection, public ways and facilities, health and sanitation services, public assistance, and education.

The governmental reporting entity consists of the County (Primary Government) and its component units. Component units are legally separate organizations for which the Board is financially accountable or other organizations whose nature and significant relationship with the County are such that exclusion would cause the County’s financial statements to be misleading or incomplete. Financial accountability is defined as the appointment of a voting majority of the component unit’s board and either the County’s ability to impose its will on the organization or the potential for the organization to provide a financial benefit to or impose a financial burden on the County.

The basic financial statements include both blended and discretely presented component units. The blended component units, although legally separate entities, are, in substance, part of the County’s operations and so data from these units are combined with data of the primary government. The discretely presented component unit, on the other hand, is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the primary government.

For financial reporting purposes, the County’s basic financial statements include all financial activities that are controlled by or are dependent upon actions taken by the County’s Board. The financial statements of the individual component units may be obtained by writing to the County of Ventura, Auditor-Controller’s Office, 800 South Victoria Avenue, Ventura, CA 93009-1540.

Blended Component Units

Using the criteria established by Governmental Accounting Standards Board (GASB) Statement No. 14, *The Financial Reporting Entity*, and Statement No. 39, *Determining whether Certain Organizations are Component Units - an amendment of GASB Statement No. 14*, the County’s management has determined that the following component units should be blended with activities of the County as follows:

- Special Revenue Funds – Watershed Protection Districts, County Service Areas, Fire Protection District, the County of Ventura Redevelopment Agency (RDA), and the In-Home Supportive Services Public Authority;
- Enterprise Fund – Waterworks Districts including the Lake Sherwood Community Services District, Camarillo Water and Sewer, and Camarillo Roads and Lighting;
- Debt Service Funds – Ventura County Public Facilities Corporation, the Public Financing Authority, the RDA, and Watershed Protection Districts;
- Capital Project Funds – Ventura County Public Facilities Corporation (PFC), the Public Financing Authority (PFA), and the RDA;

COUNTY OF VENTURA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2005
(Continued)

- Pension Trust Funds – Ventura County Employees’ Retirement Association (VCERA) and the County’s Supplemental Retirement Plan (SRP).

The County is financially accountable for each of the above component units. The basis for blending is that the County’s Board acts as the governing board for all entities except the Ventura County Employees’ Retirement System and the Ventura County Public Facilities Corporation. However, these two organizations provide services almost entirely for the County’s benefit.

Discretely Presented Component Unit

Children and Families First Commission

The Children and Families First Commission (Commission) was established in December 1998 under the authority of the California Children and Families First Act of 1998 and sections 130100, et seq., of the Health and Safety Code. The Commission accounts for receipts and disbursements of California Children and Families First Trust Fund allocations and appropriations to the Commission. The Commission is a discretely presented component unit as the County Board appoints all members of the Commission’s governing body and can remove appointed members at will. The separate financial statements may be obtained from Children and Families First Commission, 2850 East Main Street, Suite 203, Ventura, California, 93003.

B) New Accounting Pronouncements

GASB Statement No. 40, *Deposit and Investment Risk Disclosures - an amendment of GASB Statement No. 3*, addresses common deposit and investment risks related to credit risk, concentration of credit risk, interest rate risk, and foreign currency risk. The County implemented this statement for its fiscal year 2004-05 financial statements.

GASB Statement No. 42, *Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries*, effective for periods beginning after December 15, 2004, establishes accounting and financial reporting standards for impairment of capital assets. A capital asset is considered impaired when its service utility has declined significantly outside its normal life cycle. The County intends to implement the new requirements for the fiscal year 2005-06 financial statements.

GASB Statement No. 44, *Economic Condition Reporting: The Statistical Section*, effective for periods beginning after June 15, 2005, provides guidance on the preparation of the statistical section. The County intends to implement the new requirements for the fiscal year 2005-06 financial statements.

GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, effective for periods after December 15, 2006, provides guidance for state and local governments on the accounting and reporting of postemployment healthcare and other nonpension benefits and required disclosures. This statement requires the employer to recognize the cost of benefits in the periods when the related services are received and to provide certain plan information, such as the funding policy, the actuarial valuation process and assumptions, and, for certain employers, the extent to which the plan has been funded. For most employers, annual OPEB cost will be based on actuarial valuations. The County plans to implement the new requirements for the fiscal year 2007-08 financial statements.

COUNTY OF VENTURA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2005
(Continued)

GASB Statement No. 46, *Net Assets Restricted by Enabling Legislation - an amendment of GASB Statement 34*, effective for periods beginning after June 15, 2005, requires that limitations on the use of net assets imposed by enabling legislation be reported as restricted net assets. A legally enforceable enabling legislation restriction is one that a party external to a government - such as citizens, public interest groups, or the judiciary - can compel a government to honor. The County intends to implement the new requirements for the fiscal year 2005-06 financial statements.

GASB Statement No. 47, *Accounting for Termination Benefits*, effective for periods beginning after June 15, 2005, requires the recognition by employers of a liability and expense for voluntary termination benefits when the offer is accepted and the amount can be estimated. The County intends to implement the new requirements for the fiscal year 2005-06 financial statements.

C) Government-wide and Fund Financial Statements

Government-wide Financial Statements

The government-wide financial statements are prepared using the accrual basis of accounting and the economic resources measurement focus. The government-wide financial statements include capital assets, long-term liabilities, depreciation, and accumulated depreciation.

The statement of net assets and statement of activities display information about the primary government (the County) and its component units. These statements distinguish between the *governmental* and *business-type activities* of the County and between the County and its discretely presented component unit. Governmental activities, which are primarily supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees charged to external parties.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the County's governmental activities and for each segment (different identifiable activities) of the business-type activities of the County. Direct expenses are those that are specifically associated with a program or function and are clearly identifiable to a particular function. Program revenues include 1) charges paid by the recipients of goods or services offered by the programs and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented instead as general revenues.

The internal service funds' activity is eliminated and net balances are included in governmental activities because the internal service funds primarily serve the governmental funds. Fiduciary funds are not reported on the government-wide financial statements. When restricted and unrestricted net assets are available, restricted resources would generally be considered to be used first, with the unrestricted resources used as they are needed.

Fund Financial Statements

The governmental fund financial statements are prepared under the modified accrual basis of accounting and the current financial resources measurement focus. The proprietary and fiduciary fund financial statements are prepared using the accrual basis of accounting and the economic resources measurement focus, except agency funds which have no measurement focus. They provide information about the County's funds, including fiduciary funds and blended component units. Separate statements for each fund category - *governmental, proprietary and fiduciary* - are presented. The emphasis of fund financial statements is on major governmental and enterprise funds; each is displayed in a separate column. All remaining governmental and enterprise funds are separately aggregated and reported as non-major governmental and non-major enterprise funds.

COUNTY OF VENTURA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2005
(Continued)

Because the governmental fund financial statements are presented on a different measurement focus and basis of accounting than the government-wide financial statements, a reconciliation is presented which explains the adjustments necessary to reconcile fund financial statements to the government-wide financial statements.

Proprietary fund *operating* revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. *Nonoperating* revenues, such as subsidies and investment earnings, result from nonexchange transactions or ancillary activities. Operating expenses, including salaries and benefits, services and supplies, and depreciation, represent the costs of providing goods and services to customers. Nonoperating expenses are those expenses such as losses from disposal of capital assets and interest expense that do not result from the principal activity of the fund but from secondary or auxiliary activities.

The County reports the following major governmental funds:

- The *General Fund* is used to account for all revenues and expenditures necessary to carry out basic governmental activities of the County that are not accounted for through other funds. For the County, the General Fund includes such activities as general government, public protection, health and sanitation, public assistance, education, and debt service.
- The *Roads Fund* provides for planning, design, construction, maintenance, and administration of County roads. It also engages in traffic safety and other transportation planning activities. Revenues consist primarily of the County's share of state highway use taxes, sales taxes, and federal grants.
- The *Watershed Protection Districts (formerly Flood Control Districts) Fund* controls flood and storm waters and conserves such waters for beneficial public use. Revenues are primarily received from property taxes, aid from other governmental units, and charges for current services.
- The *Fire Protection District Fund* provides fire protection to the unincorporated areas of the County as well as the cities of Camarillo, Moorpark, Ojai, Port Hueneme, Simi Valley, and Thousand Oaks. Support is principally from property taxes and aid from other governmental units.

The County reports the following major enterprise funds:

- The *Medical Center Fund* is part of the County Health Care Agency which operates an acute care facility providing emergency room, inpatient, mental health inpatient, and, through its clinics, outpatient services to all County residents. It also provides support services to related public and mental health programs administered by the Health Care Agency. The fund provides indigent care, which is subsidized, in part, by transfers from the General Fund for such services.
- The *Department of Airports Fund* operates the County-owned general aviation facilities at the Camarillo and Oxnard airports and provides administrative, fiscal, and other support services for airport tenants and the flying public. This fund accounts for aid from other governmental units in support of aviation and also provides support services for the operation of the streets, street lighting, and storm drains at the Camarillo airport.

COUNTY OF VENTURA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2005
(Continued)

- The *Waterworks Districts Fund* performs necessary administrative, maintenance, and operations functions to provide uninterrupted water delivery services and sewer collection and disposal services to various communities of Ventura County. These districts include Waterworks Districts 1, 16, 17, 19, Camarillo Water and Sewer, and Lake Sherwood.

The County reports the following additional funds and fund types:

- *Internal Service Funds* account for the County's fleet maintenance; engineering, construction, and maintenance services; telecommunication and information systems; general services; and self-insurance programs – workers' compensation, long-term disability, employee benefits, medical malpractice, and general insurance, on a cost-reimbursement basis.
- The *VCERA Trust Fund* accumulates contributions from the County, its employees and other participating employers, and earnings from the fund's investments. Disbursements are made from the fund for retirement, disability, and death benefits (based on a defined benefit formula) and administrative expenses. This fund includes all assets of the VCERA, which was established January 1, 1947 under provisions of the County Employees' Retirement Law of 1937.
- The *SRP Trust Fund* accounts for the assets, contributions, and benefit payments of the Supplemental Retirement Plan established January 1, 1992 under provisions of the Internal Revenue Code Section 401(a).
- The *Investment Trust Fund* (a single cash pool managed by the Treasury) accounts for the assets of legally separate entities that deposit cash with the County Treasurer. The entities include school and community college districts and special districts governed by local boards. These funds represent the assets, primarily cash and investments, and the related liability of the County to disburse these monies on demand. The County follows procedures of GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*. Detailed information about the major legal entities included in the Investment Trust Fund is provided in the Schedule of Fiduciary Net Assets and Schedule of Changes in Fiduciary Net Assets in the Supplementary Information section.
- *County Agency Funds* account for assets held for distribution by the County as an agent for various local tax entities.

D) Measurement Focus and Basis of Accounting

The government-wide, proprietary, pension and investment trust fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Agency funds are reported using the accrual basis of accounting.

Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the County gives (or receives) value without directly receiving (or giving) equal value in exchange, include property and sales taxes, grants, entitlements, and donations. On the accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from sales taxes is recognized when the underlying transactions take place. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

COUNTY OF VENTURA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2005
(Continued)

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. Sales taxes, interest, certain state and federal grants, and charges for services are accrued when their receipt occurs within six months following the end of the fiscal year. Property taxes are accrued if they are collectible within 60 days after the end of the accounting period. Expenditures are generally recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, claims, and judgments, are recorded only when payment is due. General capital assets acquisitions and general principal payments are reported as expenditures in governmental funds. Proceeds of general long-term debt and capital leases are reported as other financing sources.

For its governmental activities, business-type activities, and enterprise funds, the County has elected under GASB Statement No. 20, *Accounting and Financial Reporting of Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting*, to apply all applicable GASB pronouncements as well as any applicable pronouncements of the Financial Accounting Standards Board (FASB), the Accounting Principles Board, or any Accounting Research Bulletins issued on or before November 30, 1989 unless those pronouncements conflict with or contradict GASB pronouncements. The County has elected to not apply the FASB standards issued subsequent to November 30, 1989 for its business-type activities and enterprise funds. The GASB periodically updates its codification of the existing governmental accounting and financial reporting standards, which, along with subsequent GASB pronouncements (Statements and Interpretations), constitutes GAAP for governmental users.

E) Cash and Investments

For purposes of reporting cash flows, cash and investments include cash in banks and investments held by the County Treasurer in a cash management pool generally with original maturities of 90 days or less. In accordance with GASB No. 31, investments are stated at fair value. County fair value is determined annually based on market values provided by its investment custodian (Wells Fargo Bank) as of June 30, 2005. The fair value of participants' aggregate position in the pool is the same as the aggregate value of the pool shares. The participants share a ratable portion of the pool's activity and its value based on average daily balances. For VCERA and SRP, investment income components (interest, dividends, and net increase or decrease in fair value) are determined at year-end as reported by the various trustees and custodians on the accrual basis.

For fiscal year ended June 30, 2005, the County implemented GASB No. 40, *Deposit and Investment Risk Disclosures*, an amendment of GASB Statement No. 3. This Statement, effective for financial statements for periods beginning after June 15, 2004, establishes and modifies disclosure requirements related to investment and deposit risks. Requirements include disclosure of investments subject to credit risk, including custodial credit risk and concentrations of credit risk, interest rate risk, and foreign currency risk. Such disclosures are included in Note 3 - Cash and Investments.

F) Inventories

Inventories consist of expendable supplies valued at cost (principally on a first-in, first-out basis). The County uses the purchases method to record inventories as expenditures when purchased by governmental funds. Significant supplies on hand at year-end are recorded as assets with a corresponding credit to reserved fund balances to indicate that such amounts are not available for future appropriation by the governmental funds.

COUNTY OF VENTURA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2005
(Continued)

G) Capital Assets

Capital assets components consist of land, land improvements, structures and improvements, equipment, vehicles, construction in progress, and infrastructure. The County defines capital assets as assets with an estimated useful life in excess of one year.

The capitalization level and estimated useful lives are as follows:

<u>Category</u>	<u>Capitalization Level</u>	<u>Useful Life</u>
Structures and improvements	\$25,000 except \$3,000 for the Medical Center, \$5,000 for Airports, and \$50,000 for Waterworks.	30-75 *
Betterments	\$5,000 except \$3,000 for the Medical Center	30-75
Equipment	\$5,000 except \$3,000 for the Medical Center	2-30
Vehicles	\$5,000	2-25
Capital leases	As above, based on category	5-40
Infrastructure	All new construction and major renovation is capitalized; all other costs are considered maintenance and are expensed.	40-100

* except for certain fixed equipment which may have a shorter useful life.

The County has two networks of infrastructure assets – roads and watershed protection. The roads network includes roads, bridges and traffic signals. The watershed protection network includes flood channels, debris dams, detention basins, pump stations, and rights of way. Current year costs were capitalized for both networks beginning in fiscal year 2001-02. Retroactive reporting was implemented in fiscal year 2001-02 for the roads network and in fiscal year 2002-03 for the watershed protection network. Corresponding increases are recorded to investment in capital assets net of debt.

Capital assets are recorded at historical cost or at estimated historical cost if actual historical cost is not available. Assets acquired from gifts or donations are valued at their estimated fair market value on the date contributed. Self-constructed assets, including structures and major software betterments, are recorded at the amount of direct labor, material and net interest costs incurred (for proprietary funds) if financed by tax-exempt borrowing. Major software and betterments are included in the equipment category.

Acquisitions of capital assets are recorded as expenditures in the governmental funds statement. Capital assets are capitalized and depreciated on the government-wide and the proprietary funds statements. Land, construction in progress and assets not used in operations are not depreciated. Other components used in operations are depreciated or amortized (assets under capital leases) using the straight-line method over the lower of the capital lease period or their estimated useful lives. The County has elected the depreciation approach for infrastructure.

Maintenance and repairs are charged to operations when incurred. Betterments and major improvements which significantly increase values, change capacities or extend useful lives are capitalized. Upon sale or retirement of capital assets, the cost and related accumulated depreciation are removed from the respective accounts and any resulting gain or loss is included in the results of operations.

COUNTY OF VENTURA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2005
(Continued)

H) Compensated Absences (Accrued Vacation, Sick Leave, and Compensatory Time)

County policy permits employees to accumulate earned but unused vacation, sick pay, and compensatory time. A liability for all vacation pay and compensatory time and 25 percent of unused accumulated sick leave for those employees with at least ten years of service is accrued when earned in the government-wide and proprietary funds financial statements. In accordance with GASB Interpretation No. 6, a liability for these amounts is reported in the governmental funds financial statements only if they have matured as a result of employee resignations and retirements prior to year-end and are paid by the County subsequent to year-end.

I) Interfund Transactions

Interfund transactions are reflected as either loans, services provided, reimbursements, or transfers. Loans are reported as receivables and payables as appropriate, are subject to elimination upon consolidation and are referred to as either “due to/from other funds” (i.e., the current portion of interfund loans) or “advances to/from other funds” (i.e. the non-current portion of interfund loans). Any residual balances outstanding between the governmental activities and the business-type activities are reported in the government-wide financial statements as “internal balances”. Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not available financial resources.

Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are repayments (adjustments to the expenditures or expenses) from the funds responsible for certain expenditures or expenses to the funds that initially paid for them. All other interfund transactions are treated as transfers. Transfers between governmental or proprietary funds are netted as part of the reconciliation to the government-wide presentation.

J) Estimates

The preparation of basic financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

NOTE 2 – DEFICIT NET ASSETS/FUND BALANCE

The *General Insurance* internal service fund had a net assets deficit of \$294,000 as described in Note 14 - Risk Management. The accumulated deficit within the workers’ compensation component, which is in its third year of self-insurance operation, is \$6,783,000, a reduction from the prior year deficit of \$9,941,000. The County implemented a five-year plan to eliminate the workers’ compensation deficit through increased rates, beginning in fiscal year 2004-05.

The *Public Financing Authority*, a non-major capital projects fund, had a deficit fund balance of \$1,675,000 due to the payment of interest during the construction phase of major construction projects. Certificates of participation issues that finance some or all construction projects, as opposed to purchased assets, realize losses during the construction period because no offsetting sublease revenue is generated until the projects are completed. It is expected that the deficit will be eliminated in fiscal year 2006-07.

COUNTY OF VENTURA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2005
(Continued)

NOTE 3 – CASH AND INVESTMENTS

The County sponsors an Investment Pool that is managed by the County Treasurer for the purpose of increasing interest earnings through investment activities. Cash and investments for most County activities are included in the Investment Pool. The respective funds' shares of the total pool are included in the accompanying basic financial statements under the captions "Cash and investments" and "Restricted cash and investments". Cash and investments managed separately from the Investment Pool include those of the PFC, PFA, VCERA, and SRP.

The Investment Pool is comprised of internal and external pool participants. The internal pool participants include the funds and component units of the reporting entity and are reported in the various County funds. The external pool participants include legally separate entities, which are not part of the sponsor's reporting entity. The external investment component of the Investment Pool is reported in the accompanying financial statements as an investment trust fund within the fiduciary funds and uses the economic resources measurement focus and accrual basis of accounting.

The County has adopted an Investment Policy Statement (IPS), which complies with the requirements of California Government Code, and serves as the basis for the type of investments, maturity limit, credit rating, and diversification of securities comprising the Investment Pool. The objectives of the IPS are safety of principal, maintenance of liquidity, and earning a competitive rate of return.

Investments permitted by the IPS include obligations of the U. S. Treasury, agencies and instrumentalities, or commercial paper rated A-1 or better by Standard and Poor's Corporation (S & P) or P-1 by Moody's Commercial Paper Record, bankers' acceptances, repurchase and reverse repurchase agreements, corporate notes, negotiable certificates of deposit, obligations of the State of California, and obligations of any local agency within California.

Total cash and investments at fair value as reported at June 30, 2005 are as follows (in thousands):

Governmental activities	\$ 615,418
Business-type activities	<u>58,271</u>
Primary government	673,689
Component unit	<u>40,118</u>
Total government-wide	<u>713,807</u>
 Fiduciary Funds:	
Pension trust funds	2,618,799
Investment trust fund	715,730
Agency funds	<u>10,782</u>
Total cash and investments	<u><u>\$ 4,059,118</u></u>

COUNTY OF VENTURA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2005
(Continued)

Cash and investments at fair value for County funds, including those funds managed separately from the Treasury, at June 30, 2005 are summarized as follows (in thousands):

	Treasury	Fiscal Agents	Pension Funds	Total
Cash:				
Cash on hand	\$ 4	\$ 1,812	\$ -	\$ 1,816
Deposits (net outstanding checks)	(14,239)	8,506	52,878	47,145
Total cash (net outstanding checks)	(14,235)	10,318	52,878	48,961
Investments:				
In Treasurer's pool	1,434,448	-	-	1,434,448
With fiscal agents	-	9,788	-	9,788
In pension portfolios	-	-	2,565,921	2,565,921
Total investments	1,434,448	9,788	2,565,921	4,010,157
Total cash and investments	\$ 1,420,213	\$ 20,106	\$ 2,618,799	\$ 4,059,118

Cash

The cash portion of "cash and investments" includes demand deposits.

At June 30, 2005, the carrying amount of the County's cash was \$48,961,000, and the bank balance per various institutions was \$68,447,000. Treasury cash of \$(14,235,000) reflects outstanding checks of \$19,486,000. Treasurer's pool investments are managed daily to maximize earnings and provide cash as needed. Of the bank balance in financial institutions, \$1,063,000 is covered by federal depository insurance and \$67,384,000 was uninsured. The uninsured deposits were held by financial institutions, which are legally required by the California Government Code to collateralize the County's deposits by pledging government securities or first trust deed mortgage notes. The market value of the pledged securities and first trust deed mortgage notes must be at least 110 percent and 150 percent of the County's deposits, respectively. The collateral was held by the pledging financial institution's trust department and was considered held in the County's name.

"Restricted cash and investments" in the amount of \$5,416,000 are held in the proprietary funds and include \$1,500,000 for Health Care Plan tangible net equity deposit and \$120,000 for Harbor Expansion National Oceanic and Atmospheric Administration deposit. The remainder of \$3,289,000 for the Medical Center, \$56,000 for Channel Islands Harbor, and \$451,000 for General Services internal service fund is restricted by trust agreements for debt service.

Investments—Investment Pool (Treasury)

Fair value calculations at fiscal year-end for the Investment Pool are based on market values provided by the County's investment custodian. The net change in fair value from carrying value at June 30, 2005 amounted to a decrease of \$5.0 million. The net change in fair value from June 30, 2004 to June 30, 2005 was an increase of approximately \$2 million.

The County is not registered with the Securities and Exchange Commission as an investment company. No legally binding guarantees have been provided during the period to support the value of shares in the pool. Investment earnings are allocated based on the average daily balance in the Investment Pool for the calendar quarter. The earnings are distributed to participants twice per quarter as cash is received.

COUNTY OF VENTURA
NOTES TO THE BASIC FINANCIAL STATEMENTS
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(Continued)

As of June 30, 2005, the major classes of the County's investments, including those managed outside the Treasury, consisted of the following (in thousands):

	Interest Rate Range	Maturity Date/Range	Cost	Fair Value	Weighted Average Maturity (Years)	Credit Rating (S & P/ Moody's)
Investments in Investment Pool						
U.S. agency securities	1.75 - 5.50	7/1/05 - 12/17/07	\$1,064,106	\$1,057,430	0.96	AAA, Aaa
Commercial paper	2.99 - 3.23	7/1/05 - 7/15/05	375,171	376,818	0.02	A-1, P-1
Certificates of deposit	2.01 - 3.35	9/21/05 - 5/31/06	200	200	0.57	Unrated
Total investments in Investment Pool			<u>1,439,477</u>	<u>1,434,448</u>	0.71	
Investments outside Investment Pool						
<i>With Fiscal Agents:</i>						
Government agency security			7,810	7,791	0.87	AAA, Aaa
Commercial paper			<u>1,994</u>	<u>1,997</u>	0.05	A-1, P-1
Subtotal			<u>9,804</u>	<u>9,788</u>	0.71	
Pension Funds						
<i>Supplemental Retirement Program</i>						
Bond mutual funds			1,699	2,062	7.17	Unrated
Equity mutual funds			<u>5,549</u>	<u>6,470</u>	-	Unrated
Subtotal			<u>7,248</u>	<u>8,532</u>	1.73	
<i>Ventura County Employees' Retirement Association</i>						
Domestic equity securities			850,264	1,109,681	(a)	(b)
Domestic fixed income			608,364	687,253		
International equity securities			257,997	334,644		
Securities lending short term						
Investment collateral			-	167,385		
Real estate			112,119	127,919		
Global equity			96,128	98,154		
International fixed income bonds			<u>25,203</u>	<u>32,353</u>		
Subtotal			<u>1,950,075</u>	<u>2,557,389</u>		
Total investments outside Investment Pool			<u>1,967,127</u>	<u>2,575,709</u>		
Total fair value				<u>\$4,010,157</u>		

(a) Duration is used by VCERA as a measure of interest rate risk. Detail is available on page 68.

(b) Credit ratings are disclosed in VCERA's separately issued financial statements.

COUNTY OF VENTURA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2005
(Continued)

The Investment Pool does not issue financial statements separate from the County's Comprehensive Annual Financial Report. The following represents a condensed statement of net assets and changes in net assets for the pool (internal and external) as of June 30, 2005 (in thousands):

<u>Statement of Net Assets</u>	<u>Total</u>
Net assets held for pool participants	\$ 1,420,213
Equity of internal pool participants	\$ 660,672
Equity of external pool participants	719,423
Equity of discretely presented component unit	40,118
Total equity	<u>\$ 1,420,213</u>
<u>Statement of Changes in Net Assets</u>	
Net assets at July 1, 2004	\$ 1,289,509
Increase in investment by pool participants, net	130,704
Net assets at June 30, 2005	<u>\$ 1,420,213</u>

The Investment Pool includes both voluntary and involuntary participants for whom cash and investments are held by the County Treasurer. The total percentage share of the Investment Pool related to involuntary participants is 43 percent. Legal provisions require certain special districts to maintain surplus cash in the Investment Pool including public school districts, cemetery districts, recreation and park districts, and the Air Pollution Control District. Voluntary participants include the Superior Court of California, Ventura County.

Investments - VCERA

In accordance with state statutes, VCERA invests in any form or type of investment, financial instrument, or financial transaction deemed prudent in the informed opinion of the Board of Retirement. State Street Bank and Trust Company (State Street) serves as the master custodian for the majority of VCERA's assets.

While VCERA recognizes the importance of capital preservation, it also adheres to the principle that varying degrees of investment risk are generally rewarded with compensating returns. The Board of Retirement's investment policy allows investment in the entire United States fixed income market (maturities 1 to 30 years) including Treasury and government agency bonds, corporate debt, mortgages, and asset-backed securities. The fixed income portfolio is largely comprised of investment grade issues (a rating of BBB from Standard & Poor's or Baa3 from Moody's or higher) and may include, subject to limits, opportunistic investment in non-dollar and high-yield bonds. VCERA's investment policy recognizes that in the long-run equity returns will be greater than fixed income returns, but with expected greater volatility over shorter periods. Both domestic and international equity investing is permitted with exposure, subject to limits, to both the large and small capitalization ranges. Discretion is also permitted to international managers to invest, with limits, opportunistically in emerging market equities. Real estate investing is also allowed with the goal to provide competitive risk adjusted returns as well as diversification benefits to VCERA's portfolio.

COUNTY OF VENTURA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2005
(Continued)

Investments – SRP

The SRP adopts an investment policy which emphasizes safety, diversification and yield and follows the “prudent investor rule”, as required by the Employment Retirement Income Security Act of 1974. Investments permitted by the policy include fixed income and equity mutual funds.

Risk Disclosures

Custodial Credit Risk

Investment Pool. Custodial credit risk is the risk that the County will not be able to recover deposits or collateral securities that are in possession of an outside party. The risk is mitigated through federal depository insurance coverage and collateralization in accordance with California Government Code Section 53652. Information about the composition of insured and uninsured deposits at June 30, 2005 is provided in the section “**Cash**”.

VCERA. VCERA considers investments purchased with a maturity of 12 months or less to be short-term investments. Although VCERA does not have a policy that specifically addresses the limiting of custodial credit risk, in practice, VCERA limits custodial credit risk by maintaining substantially all cash and short-term investments in external investment pools managed by the County of Ventura and State Street. All other investment securities are held by State Street in VCERA’s name. VCERA maintains a commercial bank account with \$100,000 worth of depository insurance coverage from the Federal Depository Insurance Corporation (FDIC). The balance in VCERA’s commercial bank account at June 30, 2005 was \$1,158,000.

As of June 30, 2005, VCERA had the following cash and short-term investments at fair value (in thousands):

State Street	\$ 43,857
County of Ventura Investment Pool	7,479
Commercial bank account	<u>1,158</u>
Total	<u>\$ 52,494</u>

Credit Risk

Investment Pool. State law and the IPS limit investments in commercial paper to those with the rating of A-1 or better by Standard & Poor’s or P-1 by Moody’s Investors Service. The County does not have credit limits on government agency securities. Certificates of deposit are required to be insured by the FDIC.

COUNTY OF VENTURA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2005
(Continued)

VCERA. VCERA requires its total fixed income portfolio be rated AA or higher by Standard & Poor's or Aa2 by Moody's. Aggregated amounts at fair value by rating category using Standard & Poor's ratings for June 30, 2005 are as follows (in thousands):

<u>Category</u>	<u>Amount</u>
Separate Holdings:	
AAA	\$ 218,072
AA	7,100
A	25,306
BBB	28,738
BB	21,275
B	11,655
CCC	1,299
No Rating	<u>94,501</u>
Total Separate Holdings	407,946
Pooled Investments:	
AAA	43,819
AA	253,964
BB	<u>13,877</u>
Total Pooled Investments	<u>311,660</u>
Total Fixed Income Portfolio	<u><u>\$ 719,606</u></u>

Overall, VCERA's fixed income portfolio was rated AA at June 30, 2005.

Under provisions of state statutes and its investment policy, VCERA authorizes State Street to act as agent in lending VCERA's securities to broker-dealers and other entities in the form of a loan agreement. Borrowers are required to deliver collateral in an amount equal to not less than 100 percent and, typically, 102 percent of the fair value of securities borrowed

As of June 30, 2005, VCERA had no credit risk exposure because the amount VCERA owes the borrowers exceeds the amount the borrowers owe VCERA. State Street indemnifies VCERA by agreeing to purchase replacement securities, or return cash collateral, in the event a borrower fails to return a lent security or pay distributions while the security is on loan.

COUNTY OF VENTURA
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(Continued)

VCERA and the borrowers maintain the right to terminate all securities lending transactions on demand. The cash collateral received on each loan is invested with cash collateral of other qualified tax-exempt plan lenders, in a collective investment pool. As of June 30, 2005, the collective investment pool had an average maturity of 40 days. Because loans are terminable at will, their maturity does not generally match the maturity of the investments made with cash collateral. VCERA cannot pledge or sell collateral securities without borrower default. As of June 30, 2005, VCERA had securities on loan with a fair value of \$163,927,000 with cash collateral of \$167,385,000.

SRP. The SRP does not have a formal policy regarding credit risk. As of June 30, 2005, the SRP's investments in a money market mutual fund and bond mutual funds were unrated.

Concentration of Credit Risk

Investment Pool. State law and the IPS limit investments in commercial paper to 40 percent of the investment pool and 10 percent of the investment pool per issuer. The following is a summary of the concentration of credit risk as a percentage of the Investment Pool's fair value at June 30, 2005:

<u>Investment</u>	<u>Percentage of Investment Pool</u>
Federal Farm Credit Banks	12.91%
Federal Home Loan Banks	32.76%
Federal Home Loan Mortgage Corporation	11.00%
Federal National Mortgage Association	17.05%
American Express	7.63%
Citigroup	9.06%
Toyota Motor Credit Corporation	9.06%
General Electric Capital Corporation	0.52%
Certificates of deposit	0.01%
Total	<u>100.00%</u>

VCERA. Through policies developed and implemented by the Board of Retirement, VCERA maintains the goal of having a well-diversified portfolio. As such, VCERA had no investments in any one named security that would represent 5 percent or more of total investments. Pooled investments and investments issued by or explicitly guaranteed by the U. S. Government are exempt from this requirement.

SRP. Investments in mutual funds are excluded from the requirement to disclose concentration of credit risk. As of June 30, 2005, the SRP was not exposed to concentration of credit risk.

Interest Rate Risk

Investment Pool. Through its IPS, the County manages its exposure to fair value losses arising from increasing interest rates by limiting the weighted average maturity of the Investment Pool's holdings to 365 days. At June 30, 2005, the weighted average maturity of the Investment Pool was 261 days.

COUNTY OF VENTURA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2005
(Continued)

VCERA. VCERA recognizes the importance of managing its exposure to interest rate risk and has developed a policy to limit the duration of VCERA's fixed income portfolio to plus or minus 20 percent to that of the broad fixed income market as defined by the Lehman Aggregate Bond Index. Duration, an investment's exposure to fair value change arising from a change in interest rates, by investment category and amount at June 30, 2005 is as follows (in thousands):

<u>Category</u>	<u>Assets</u>	<u>Duration</u>
Treasury	\$ 92,389	6.5
Agency	1,326	9.1
Mortgage-backed	200,684	2.6
Asset-backed	5,011	3.2
Credit	111,087	5.2
Foreign	32,353	2.6
Other	37,034	0.8
Pooled Portfolios	<u>239,722</u>	4.2
Total	<u>\$ 719,606</u>	3.9

The duration for the Lehman Aggregate Bond Index as of June 30, 2005 was 4.2 years.

SRP. The SRP does not have a formal policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The SRP has exposure to interest rate risk by investing \$2,062,000, or 24 percent, of its investments in bond mutual funds.

Foreign Currency Risk.

Investment Pool. The Investment Pool is precluded from investing in foreign currency by the IPS; therefore, it is not subject to foreign currency risk.

COUNTY OF VENTURA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2005
(Continued)

VCERA. VCERA, through its investment policy, recognizes the return and diversification benefits gained by investing in markets outside the United States. The majority of VCERA's international investments are held in commingled investment pools with other institutional investors. VCERA may also hold individual foreign securities within the fixed income allocation. Investments in countries outside the United States expose VCERA to the risk that changes in currency exchange rates may affect the fair value of these investments. Investments in foreign currencies at June 30, 2005 are as follows (in thousands):

<u>Currency</u>	<u>Fixed Income</u>	<u>Equities</u>
Australian Dollar	\$ -	\$ 8,919
British Pound	6,183	69,481
Canadian Dollar	-	15,630
Danish Krone	-	2,329
Euro	12,601	107,663
Hong Kong Dollar	-	14,097
Japanese Yen	4,521	69,356
Norwegian Krone	-	1,318
South African Rand	-	3,782
Singapore Dollar	-	5,504
South Korean Won	-	10,051
Swedish Krona	-	4,623
Swiss Franc	-	29,855
Other Emerging Markets	9,048	39,469
 Total Securities Subject to Foreign Currency Risk	 32,353	 382,077
 US Dollar Investments in International Portfolios	 -	 5,531
 Total	 <u>\$ 32,353</u>	 <u>\$ 387,608 *</u>

* includes \$52,964 of global equity allocation invested internationally.

VCERA's international investment managers may utilize futures contracts and options to minimize currency fluctuations in non-dollar denominated securities. VCERA's investment policy does not allow futures contracts and options to be utilized speculatively. Risks surrounding the contracts include fluctuations in exchange rates and the inability of the counterparty to meet the contract terms. Differences between contract exchange rates and market exchange rates at settlement result in gains and losses.

As of June 30, 2005, VCERA had currency futures contracts valued at \$(57,000) and currency options valued at \$(20,000). All futures contracts and options have been included at fair value in the Statement of Plan Net Assets, and all realized and unrealized gains and/or losses associated with the securities have been included in the Statements of Change in Plan Net Assets for the year ending June 30, 2005.

COUNTY OF VENTURA
NOTES TO THE BASIC FINANCIAL STATEMENTS
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(Continued)

NOTE 4 – PROPERTY TAXES

All jurisdictions within California derive their taxing authority from the State Constitution and various legislative provisions contained in the State Government Codes and Revenue and Taxation Codes. Property is originally assessed at 100 percent of full cash or market value at the date of transfer or completion of construction pursuant to Article XIII(A) of the California State Constitution and statutory provisions by the County Assessor and State Board of Equalization. Annual increases are limited to 2 percent of base year values. The total fiscal year 2004-05 gross assessed valuation of the County was \$78,858,202,000 (unaudited), of which \$77,897,369,000 (unaudited) was the net assessed value after homeowners' exemptions.

The property tax levy to support general operations of various jurisdictions is limited to one percent of full cash value and is distributed in accordance with statutory formulas. Amounts levied each fiscal year to finance the annual requirements of voter approved debt are excluded from this limitation and are calculated and levied each fiscal year. The rates are formally adopted by either the Board or the city councils and, in some instances, the governing board of a special district.

The County is divided into approximately 2,459 tax rate areas, which are unique combinations of various jurisdictions serving a specific geographic area. In fiscal year 2004-05, the rates levied within each tax rate area varied from a low of 1.000000 to a high of 1.203677 per \$100 of assessed valuation. Property taxes are levied on both real and personal property. Secured property taxes are levied July 1 and payable in two equal installments: the first is generally due November 1 and delinquent with penalties after December 10; the second is generally due on February 1 and delinquent with penalties after April 10. Unsecured property taxes become delinquent with penalties after August 31. Secured property taxes become a lien on the property on January 1 or the date on which title to the property transfers or improvements to the property are completed. Supplemental property tax assessments/refunds associated with changes in assessed valuations due to transfers of title and completed property improvements are levied in two equal installments and have variable due dates based on the date of title transfer and/or completion of the property improvements.

The County elected the alternative property tax treatment (Teeter Plan) effective July 1, 1993, whereby the County, through the Property Tax Collection Agency Fund (PTCAF), purchases the current secured unpaid taxes remaining at year-end from participating agencies. In return, the PTCAF records a tax receivable and receives the delinquent secured taxes. The PTCAF receives delinquent penalties and redemption interest accruing to delinquent collections related to participating agencies. The participating agencies, including the County, the special districts, and the school districts, in turn, receive their full tax distribution with no liability for uncollected taxes to the PTCAF. Therefore, for participating agencies, revenue is measurable and available and is recorded in the period the payment of current secured unpaid taxes is received prior to fiscal year end. The balance in the PTCAF is recorded to the General Fund for financial reporting purposes only as of fiscal year-end.

COUNTY OF VENTURA
NOTES TO THE BASIC FINANCIAL STATEMENTS
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(Continued)

NOTE 5 – RECEIVABLES

Year-end receivables of the County's major, non-major, and proprietary funds, as well as governmental and business-type activities, in the aggregate, including the applicable allowances for uncollectable accounts, are as follows (in thousands):

Governmental Funds	General Fund	Roads	Watershed Protection Districts	Fire Protection District	Non-major Funds	Internal Service Funds	Total Governmental Activities
Taxes	\$ 866	\$ -	\$ 80	\$ 489	\$ 47	\$ -	\$ 1,482
Accounts	88,750	2,863	6,139	3,009	2,964	2,988	106,713
Interest	2,223	230	514	334	199	560	4,060
Other - disaster reimbursements	-	8,700	5,800	-	-	-	14,500
Total receivables	<u>\$ 91,839</u>	<u>\$ 11,793</u>	<u>\$ 12,533</u>	<u>\$ 3,832</u>	<u>\$ 3,210</u>	<u>\$ 3,548</u>	<u>\$ 126,755</u>

Proprietary Funds	Medical Center	Department of Airports	Waterworks Districts	Non-major Funds	Total Enterprise Funds and Business-type Activities
Accounts	\$116,784	\$ 909	\$ 3,156	\$ 2,856	\$123,705
Interest	37	22	192	76	327
Other	47	-	-	-	47
Gross receivables	116,868	931	3,348	2,932	124,079
Less: allowance for uncollectibles and contractual adjustments	(88,187)	(20)	(50)	-	(88,257)
Total receivables - fund statements	28,681	911	3,298	2,932	35,822
Other - Long-term	-	201	-	856	1,057
Total receivables	<u>\$ 28,681</u>	<u>\$ 1,112</u>	<u>\$ 3,298</u>	<u>\$ 3,788</u>	<u>\$ 36,879</u>

The balance of loans and other long-term receivables at year-end for governmental activities include loans receivable in the General and Non-major Governmental funds (\$2,051,000), the accrual of SB 90 revenue (\$21,867,000), and other receivables (\$269,000).

COUNTY OF VENTURA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2005
(Continued)

NOTE 6 – INTERFUND TRANSACTIONS

Interfund Receivables/ Payables (Short-Term):

The composition of interfund balances as of June 30, 2005 is as follows (in thousands):

Receivable Fund	Payable Fund	Amount	
General Fund	Roads Fund	\$ 278	
	Watershed Protection Districts	17	
	Fire Protection District	67	
	Non-major Governmental Funds	2,565	
	Medical Center	206	
	Department of Airports	1	
	Non-major Enterprise Funds	565	
	Internal Service Funds	118	3,817
Road Fund	General Fund	796	
	Internal Service Funds	2	798
Watershed Protection Districts	General Fund	281	281
Fire Protection District	General Fund	1,063	
	Internal Service Funds	20	1,083
Non-major Governmental Funds	General Fund	357	
	Non-major Governmental Funds	653	
	Non-major Enterprise Funds	14	1,024
Medical Center	General Fund	4,022	
	Fire Protection District	112	
	Non-major Governmental Funds	2	
	Department of Airports	2	
	Non-major Enterprise Funds	79	
	Internal Service Funds	31	4,248
Department of Airports	General Fund	6	
	Watershed Protection Districts	3	
	Internal Service Funds	1	10
Waterworks Districts	General Fund	45	
	Fire Protection District	2	
	Non-major Governmental Funds	2	
	Department of Airports	2	
	Internal Service Funds	15	66

COUNTY OF VENTURA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2005
(Continued)

Non-major Enterprise Funds	General Fund	1,224	
	Medical Center	9	
	Non-major Enterprise Funds	101	
	Internal Service Funds	<u>1,000</u>	2,334
Internal Service Funds	General Fund	4,477	
	Roads Fund	1,754	
	Watershed Protection Districts	2,678	
	Fire Protection District	155	
	Non-major Governmental Funds	233	
	Medical Center	261	
	Department of Airports	43	
	Waterworks Districts	612	
	Non-major Enterprise Funds	194	
	Internal Service Funds	<u>895</u>	<u>11,302</u>
Total Due To/ Due From			<u>\$ 24,963</u>

The balance of \$2,565,000 due to the General Fund from Non-major Governmental Funds consists principally of loans extended to funds which receive funding after the expenditures have been incurred (Department of Child Support Services and the Public Authority special revenue funds) and a receivable from the Public Financing Authority for claims accrued at June 30, 2005.

The balance of \$1,063,000 due to the Fire Protection District from the General Fund is primarily the result of the year-end accrual of supplemental property taxes and interest receivable.

The balance of \$4,022,000 due to the Medical Center from the General Fund is primarily attributable to a contribution of \$3,400,000 authorized in June, but not transferred at June 30, 2005, and accruals of Medical Center charges to General Fund departments.

The balance of \$2,334,000 due to Non-major Enterprise Funds consists principally of a General Fund contribution to Channel Islands Harbor (\$1,200,000) authorized in June 2005 and an insurance recovery from the General Insurance Fund to the Parks Department (\$1,000,000) for damages sustained during the 2005 storms.

The remaining interfund balances resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

Advances to/from Other Funds (Long-Term):

<u>Receivable Fund</u>	<u>Payable Fund</u>	
Non-major Governmental Funds	Waterworks Districts	\$ 60
Waterworks Districts	Non-major Enterprise Funds	<u>203</u>
Total Advances		<u>\$ 263</u>

COUNTY OF VENTURA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2005
(Continued)

The Piru RDA debt service fund, a non-major governmental fund, extended a loan in the amount of \$100,000 to the Waterworks Districts in fiscal year 2002-03. The outstanding balance as of June 30, 2005 was \$60,000.

Under an agreement between a golf course developer, the County of Ventura, and the Waterworks Districts, developer fees, which are usually collected in full prior to the provision of water services, were allowed to be paid in the form of a monthly surcharge. The Parks non-major enterprise fund records a receivable and advance from other funds, and the Waterworks Districts fund records an advance to other funds and unearned revenue. The balance at June 30, 2005 was \$203,000.

Advances are included in the internal balances on the Statement of Net Assets.

Transfers

Transfers are used to move funding for capital projects, lease payments or debt service, subsidies of various County operations and re-allocations of special revenues. The following schedule briefly summarizes the County's transfer activity (in thousands):

Transfer From	Transfer To	Amount	Purpose
General Fund	Roads Fund	\$ 450	Subsidy for operating expenses
	Non-major Governmental Funds	12,527	Transfer funds for scheduled debt service
	Non-major Governmental Funds	531	Subsidy for operating expenses
	Non-major Governmental Funds	402	Health and welfare realignment
	Medical Center	14,221	Health and welfare realignment and tobacco settlement revenues
	Medical Center	17,528	Subsidy for operating expenses
	Non-major Enterprise Funds	399	Subsidy for operating expenses
	Non-major Enterprise Funds	3,200	Subsidy for capital asset purchase
	Internal Service Funds	1,400	Subsidy for capital asset purchase
	Internal Service Funds	186	Subsidy for operating expenses
	Internal Service Funds	403	Subsidy for operating expenses
		<u>51,247</u>	
Roads Fund	Internal Service Funds	<u>31</u>	Subsidy for capital asset purchase
Watershed Protection Districts	General Fund	15	Subsidy for operating expenses
	Internal Service Funds	<u>366</u>	Subsidy for capital asset purchase
		<u>381</u>	
Fire Protection District	General Fund	<u>250</u>	Subsidy for helicopter purchase
Non-major Governmental Funds	General Fund	384	Subsidy for inmate welfare costs
	General Fund	65	Subsidy for prosecution costs
	General Fund	1,371	Transfer of residual balance
	Non-major Governmental Funds	2,262	Transfer funds for capital outlay
	Non-major Governmental Funds	24	Transfer of endowment interest
	Non-major Governmental Funds	263	Subsidy for operating costs and housing set-aside
	Medical Center	<u>760</u>	Transfer funds for capital outlay
		<u>5,129</u>	
Medical Center	General Fund	<u>21,640</u>	Transfer related to SB 855 revenue
Waterworks Districts	Internal Service Funds	<u>40</u>	Subsidy for capital asset purchase
Non-major Enterprise Funds	Non-major Enterprise Funds	<u>91</u>	Transfer of capital assets
Internal Service Funds	General Fund	21	Subsidy for capital project
	Internal Service Funds	<u>40</u>	Subsidy for capital asset purchase
		<u>61</u>	
Total		<u>\$ 78,870</u>	

COUNTY OF VENTURA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2005
(Continued)

NOTE 7 – CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2005 was as follows (in thousands):

	Balance July 1, 2004	Additions	Deletions	Balance June 30, 2005
Governmental Activities:				
Capital assets, non-depreciated:				
Land	\$ 214,649	\$ 3,009	\$ 125	\$ 217,533
Construction in progress	67,011	32,102	43,523	55,590
Total capital assets, non-depreciated	<u>281,660</u>	<u>35,111</u>	<u>43,648</u>	<u>273,123</u>
Capital assets, depreciated:				
Land improvements	883	422	-	1,305
Structures and improvements	354,259	17,046	2,689	368,616
Equipment	115,138	6,061	1,823	119,376
Vehicles	63,354	2,915	4,015	62,254
Infrastructure	348,999	23,955	-	372,954
Total capital assets, depreciated	<u>882,633</u>	<u>50,399</u>	<u>8,527</u>	<u>924,505</u>
Less accumulated depreciation for:				
Land improvements	178	273	-	451
Structures and improvements	89,553	7,821	2,481	94,893
Equipment	62,691	10,136	2,347	70,480
Vehicles	30,803	5,380	3,162	33,021
Infrastructure	72,117	3,521	-	75,638
Total accumulated depreciation	<u>255,342</u>	<u>27,131</u>	<u>7,990</u>	<u>274,483</u>
Total capital assets, depreciated, net	<u>627,291</u>	<u>23,268</u>	<u>537</u>	<u>650,022</u>
Governmental activities capital assets, net	<u>\$ 908,951</u>	<u>\$ 58,379</u>	<u>\$ 44,185</u>	<u>\$ 923,145</u>
Business-type Activities (Enterprise):				
Medical Center:				
Capital assets, non-depreciated:				
Land	\$ 396	\$ -	\$ -	\$ 396
Construction in progress	22,824	3,319	1	26,142
Total capital assets, non-depreciated	<u>23,220</u>	<u>3,319</u>	<u>1</u>	<u>26,538</u>
Capital assets, depreciated:				
Land improvements	1,084	-	-	1,084
Structures and improvements	41,680	136	-	41,816
Equipment	25,727	4,090	6	29,811
Total capital assets, depreciated	<u>68,491</u>	<u>4,226</u>	<u>6</u>	<u>72,711</u>
Less accumulated depreciation for:				
Land improvements	1,084	-	-	1,084
Structures and improvements	21,277	1,273	10	22,540
Equipment	18,795	2,372	-	21,167
Total accumulated depreciation	<u>41,156</u>	<u>3,645</u>	<u>10</u>	<u>44,791</u>
Total capital assets, depreciated, net	<u>27,335</u>	<u>581</u>	<u>(4)</u>	<u>27,920</u>
Medical Center capital assets, net	<u>\$ 50,555</u>	<u>\$ 3,900</u>	<u>\$ (3)</u>	<u>\$ 54,458</u>

COUNTY OF VENTURA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2005
(Continued)

	Balance July 1, 2004	Additions	Deletions	Balance June 30, 2005
Department of Airports:				
Capital assets, non-depreciated:				
Land	\$ 8,252	\$ 96	\$ -	\$ 8,348
Construction in progress	1,215	1,171	847	1,539
Total capital assets, non-depreciated	<u>9,467</u>	<u>1,267</u>	<u>847</u>	<u>9,887</u>
Capital assets, depreciated:				
Land improvements	25,934	4,410	392	29,952
Structures and improvements	14,747	438	96	15,089
Equipment	510	137	21	626
Vehicles	431	-	-	431
Total capital assets, depreciated	<u>41,622</u>	<u>4,985</u>	<u>509</u>	<u>46,098</u>
Less accumulated depreciation for:				
Land improvements	9,523	1,243	353	10,413
Structures and improvements	7,865	485	62	8,288
Equipment	248	34	18	264
Vehicles	338	38	-	376
Total accumulated depreciation	<u>17,974</u>	<u>1,800</u>	<u>433</u>	<u>19,341</u>
Total capital assets, depreciated, net	<u>23,648</u>	<u>3,185</u>	<u>76</u>	<u>26,757</u>
Department of Airports capital assets, net	<u>\$ 33,115</u>	<u>\$ 4,452</u>	<u>\$ 923</u>	<u>\$ 36,644</u>
Waterworks Districts:				
Capital assets, non-depreciated:				
Land	\$ 2,357	\$ 11	\$ -	\$ 2,368
Construction in progress	7,207	1,667	4,766	4,108
Total capital assets, non-depreciated	<u>9,564</u>	<u>1,678</u>	<u>4,766</u>	<u>6,476</u>
Capital assets, depreciated:				
Land improvements	96	1,401	-	1,497
Structures and improvements	67,012	1,548	-	68,560
Equipment	786	2,106	2	2,890
Vehicles	98	-	-	98
Total capital assets, depreciated	<u>67,992</u>	<u>5,055</u>	<u>2</u>	<u>73,045</u>
Less accumulated depreciation for:				
Land improvements	36	31	-	67
Structures and improvements	17,851	1,341	-	19,192
Equipment	219	109	-	328
Vehicles	38	4	-	42
Total accumulated depreciation	<u>18,144</u>	<u>1,485</u>	<u>-</u>	<u>19,629</u>
Total capital assets, depreciated, net	<u>49,848</u>	<u>3,570</u>	<u>2</u>	<u>53,416</u>
Waterworks Districts capital assets, net	<u>\$ 59,412</u>	<u>\$ 5,248</u>	<u>\$ 4,768</u>	<u>\$ 59,892</u>

COUNTY OF VENTURA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2005
(Continued)

	Balance July 1, 2004	Additions	Deletions	Balance June 30, 2005
Non-major Enterprise Funds:				
Capital assets, non-depreciated:				
Land	\$ 9,532	\$ -	\$ -	\$ 9,532
Construction in progress	1,673	1,955	163	3,465
Total capital assets, non-depreciated	<u>11,205</u>	<u>1,955</u>	<u>163</u>	<u>12,997</u>
Capital assets, depreciated:				
Land improvements	4,650	26	-	4,676
Structures and improvements	15,065	250	154	15,161
Equipment	1,673	141	114	1,700
Vehicles	-	48	-	48
Total capital assets, depreciated	<u>21,388</u>	<u>465</u>	<u>268</u>	<u>21,585</u>
Less accumulated depreciation for:				
Land improvements	2,442	222	-	2,664
Structures and improvements	9,696	346	109	9,933
Equipment	716	125	84	757
Vehicles	-	1	-	1
Total accumulated depreciation	<u>12,854</u>	<u>694</u>	<u>193</u>	<u>13,355</u>
Total capital assets, depreciated, net	<u>8,534</u>	<u>(229)</u>	<u>75</u>	<u>8,230</u>
Non-Major Enterprise Funds capital assets, net	<u>\$ 19,739</u>	<u>\$ 1,726</u>	<u>\$ 238</u>	<u>\$ 21,227</u>
Business-type activities capital assets, net	<u>\$ 162,821</u>	<u>\$ 15,326</u>	<u>\$ 5,926</u>	<u>\$ 172,221</u>

Depreciation

Depreciation expense was charged to governmental functions as follows (in thousands):

General government:		
General administration	\$ 4,100	
Property management	90	
Total general government		4,190
Public protection:		
Judicial	655	
Police protection	3,755	
Detention and correction	3,900	
Fire protection	2,394	
Watershed protection & soil & water conservation	2,192	
Protective inspection	18	
Other	597	
Total public protection		13,511
Public ways and facilities		1,451
Health and sanitation services		129
Public assistance:		
Administration	128	
Other	113	
Total public assistance		241
Education		231
Capital assets held by the internal service funds		7,378
Total depreciation expense - governmental activities		<u>\$ 27,131</u>

COUNTY OF VENTURA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2005
(Continued)

Depreciation expense was charged to the business-type activities as follows (in thousands):

Medical Center	\$ 3,645
Department of Airports	1,800
Waterworks Districts	1,485
Parks Department	375
Channel Islands Harbor Expansion	129
Channel Islands Harbor	190
Total depreciation expense - Business-type activities	<u>\$ 7,624</u>

Construction in Progress and Capital Projects Commitments

Construction in progress for governmental activities represents work being performed on the Fire Communication Center Building and Project, new service buildings, infrastructure, and a number of smaller projects. Construction in progress in the business-type activities represents work being performed on the Medical Center, in the Waterworks Districts, and a number of smaller projects.

Construction in progress and capital projects commitments as of June 30, 2005 are as follows (in thousands):

	<u>Construction in Progress</u>	<u>Additional Committed Funds</u>
Governmental activities	<u>\$ 55,590</u>	<u>\$ 22,541</u>
Business-type activities:		
Medical Center	\$ 26,142	
Department of Airports	1,539	52
Waterworks Districts	4,108	560
Parks	2,320	-
Channel Islands Harbor Expansion	583	-
Channel Islands Harbor	268	-
Oak View School Preservation	294	-
Total business-type activities	<u>\$ 35,254</u>	<u>\$ 612</u>

Long-term commitments for infrastructure construction contracts totaled \$7,504,000 (principally for road and watershed protection projects) at June 30, 2005

COUNTY OF VENTURA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2005
(Continued)

NOTE 8 - ACCRUED LIABILITIES

Accrued liabilities at year-end of the County's major, non-major, and internal service funds in the aggregate are as follows (in thousands):

	General		Watershed	Fire	Non-major	Internal	Total
	Fund	Roads	Protection	Protection	Funds	Service	Governmental
			Districts	Districts		Funds	Activities
<u>Governmental Funds</u>							
Accrued salaries and benefits	\$12,584	\$ -	\$ -	\$ 2,636	\$ 876	\$ 2,035	\$ 18,131
Audit disallowances:							
Mental Health Short Doyle	1,753	-	-	-	-	-	1,753
SB 90	643	-	-	-	-	-	643
Accrued interest on tax and revenue anticipation notes	4,350	-	-	-	-	-	4,350
Clearing and other liabilities	39,302	512	172	5	972	1	40,964
Total	<u>\$58,632</u>	<u>\$ 512</u>	<u>\$ 172</u>	<u>\$ 2,641</u>	<u>\$ 1,848</u>	<u>\$ 2,036</u>	<u>\$ 65,841</u>

	Medical	Department	Waterworks	Non-major	Total
	Center	of Airports	Districts	Funds	Business-type
					Activities
<u>Proprietary Funds</u>					
Accrued salaries and benefits	\$ 2,247	\$ 77	\$ -	\$ 140	\$ 2,464
Estimated Medicare disallowance	6,050	-	-	-	6,050
Channel Islands Harbor judgement	-	-	-	4,423	4,423
Clearing and other liabilities	1,151	-	489	1,174	2,814
Total	<u>\$ 9,448</u>	<u>\$ 77</u>	<u>\$ 489</u>	<u>\$ 5,737</u>	<u>\$ 15,751</u>

NOTE 9 – LEASES

Operating Leases

The County is committed under various noncancelable operating leases (principally in the General Fund for governmental activities). Future minimum operating lease commitments are as follows (in thousands):

Year ending	Governmental	Business-type
June 30:	Activities	Activities
2006	\$ 4,044	\$ 219
2007	3,431	199
2008	2,588	171
2009	2,183	170
2010	1,898	144
2011-2014	6,608	4
Total minimum payments required	<u>\$ 20,752</u>	<u>\$ 907</u>

COUNTY OF VENTURA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2005
(Continued)

Rental expense for County-wide operating leases was \$20,155,000 for the year ended June 30, 2005. Contingent rental revenues under operating leases are based on percentages of lessee sales and totaled approximately \$1,169,000 for the year ended June 30, 2005.

The Channel Islands Harbor, Parks Department, and Department of Airports Enterprise funds lease properties to others under operating leases with terms of up to 95 years. The following is a summary of future minimum rental revenues on noncancelable leases at June 30, 2005 (in thousands):

Year ending June 30:	Amounts:	Year ending June 30 (continued):	Amounts:
2006	\$ 4,558	2051-2055	\$ 1,582
2007	4,112	2056-2060	721
2008	4,006	2061-2065	721
2009	3,819	2066-2070	721
2010	3,609	2071-2075	721
2011-2015	17,587	2076-2080	721
2016-2020	15,106	2081-2085	721
2021-2025	12,081	2086-2090	721
2026-2030	8,705	2091-2095	721
2031-2035	6,442	2096-2100	577
2036-2040	4,487		
2041-2045	4,297	Total	<u>\$ 98,975</u>
2046-2050	2,239		

COUNTY OF VENTURA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2005
(Continued)

Capital Leases

The County has entered into certain capital lease agreements under which the related equipment will become the property of the County when all terms of the lease agreements are met. There were no capital leases in the governmental activities.

The following is a schedule of property leased under capital leases by major class in the business-type activities at June 30, 2005 (in thousands):

	Business-type Activities
Structures and improvements	\$ 789
Less: Accumulated amortization	670
Total net of amortization	<u>\$ 119</u>

As of June 30, 2005, capital lease annual amortization in the business-type activities is as follows (in thousands):

Year ending June 30:	Business-type Activities
2006	\$ 16
2007	16
2008	15
2009	15
2010	14
2011-2013	<u>34</u>
Total requirements	110
Less: amount representing interest	<u>17</u>
Present value of remaining payments	<u>\$ 93</u>

COUNTY OF VENTURA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2005
(Continued)

NOTE 10 – LONG-TERM DEBT

Long-term obligations of the County consist of certificates of participation and lease revenue bonds, tax exempt commercial paper, loans payable, pension obligation bonds, capital leases, compensated absences, and other liabilities. Capitalized lease obligations are described further in Note 9.

Certificates of participation and lease revenue bonds are obligations of a public entity based on a lease agreement and are paid by lease payments from County departments/funds for use of the facilities or equipment constructed or purchased from the debt proceeds. Tax exempt commercial paper is unsecured short-term promissory notes issued with maturities ranging from two to 270 days. Pension obligation bonds provided funding for the unfunded actuarial accrued liability with respect to retirement benefits for County employees as of December 1, 1995.

Compensated absences are liabilities for vacation, vested sick leave benefits, and compensatory time reported as required by GASB Statement Nos. 18 and 34 in the proprietary fund financial statements and the governmental and business-type activities of the government-wide financial statements. A liability for these amounts is reported in the governmental fund financial statements only if they have matured due to employee resignations and retirements. Governmental fund liabilities are typically liquidated in the General Fund and certain special revenue funds.

Other liabilities include the liability for medical malpractice insurance claims incurred but not reported (tail coverage) for General Fund health departments and the Medical Center; the Leaking Underground Fuel Tanks (LUFT) obligations for Fire Protection District, Transportation Internal Service Fund, and Department of Airports; the net pension obligation relating to the Supplemental Retirement Plan; unamortized bond premiums for the General Fund and General Services Internal Service Fund; and claims liabilities relating to the self-insurance of certain risks in the General Insurance and Employee Benefit Insurance Internal Service Funds and the Health Care Plan.

The Public Facilities Corporation (PFC) has provided five separate issues of debt securities beginning with PFC I in 1976 that was used to build the Victoria Avenue administrative complex and justice center. Completed projects included in the current issue, PFC V 1998, are acquisition of the Knoll Drive building, renovation of the 646 County Square Drive building, generator/utility replacement at the Medical Center, and refinancing of the State Loan on the Harbor fuel dock.

COUNTY OF VENTURA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2005
(Continued)

The Public Financing Authority (PFA) was formed in August of 1998. The tax exempt commercial paper (TECP) was used to refund PFC I and is currently used to upgrade information systems and programs including the Ventura County Integrated Justice Information System (VCIJIS), a payroll and human resources system, renovation or acquisition of facilities, acquisition of medical equipment, partial funding for the construction of the Ventura County Medical Center medical lab and kitchen, and bridge financing for the Juvenile Justice Complex including Detention Facilities and Courts.

On October 21, 2003, PFA issued \$27,110,000 of 2003 Certificates of Participation (Public Financing Authority II) (COPs) at a premium of \$667,000 in \$5,000 denominations with interest ranging from 2.50% to 5.25% to finance the following projects: (i) Gonzales Road Regional Public Health Care Building, (ii) construction of a Juvenile Justice Complex Court Facility, and to fund a reserve fund, capitalized interest, and to pay the cost of issuance.

COUNTY OF VENTURA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2005
(Continued)

Summaries of long-term indebtedness and liabilities incurred by the governmental and business-type activities, outstanding as of June 30, 2005, are as follows (in thousands):

Type of indebtedness/ liabilities	Maturity	Interest Rates	Original Issue Amount
Governmental Activities:			
<i>Certificates of Participation/Lease</i>			
<i>Revenue Bonds:</i>			
Public Facilities Corporation V	08/15/05-08/15/13	4.25 - 4.625%	\$ 3,160
Public Financing Authority:			
General Fund	08/15/05-08/15/16	4.25 - 5.375%	48,189
General Services Agency - Facilities	08/15/05-08/15/16	4.00 - 5.375%	4,365
Public Financing Authority II	08/15/05-08/15/19	2.50 - 5.25%	27,110
Total			<u>82,824</u>
<i>Tax Exempt Commercial Paper:</i>			
Public Financing Authority:			
General Fund	Rolling	2.48 - 2.85%	34,537
Information Systems	Rolling	2.48 - 2.85%	5,763
Total			<u>40,300</u>
<i>Pension Obligation Bonds</i>	11/01/05-11/01/07	6.50 - 6.63%	<u>154,510</u>
<i>Loans Payable:</i>			
County Service Areas	11/16/05-11/16/08	6.60%	459
Redevelopment Agency - Piru (CDBG)	N/A	N/A	150
Redevelopment Agency - Piru (USDA) (Maximum Commitment of \$750)	07/01/05-07/01/17	4.75%	750
Total			<u>1,359</u>
<i>Compensated Absences Liability</i>	N/A	N/A	<u>-</u>
<i>Other Liabilities:</i>			
LUFT - (Transportation)	N/A	N/A	-
LUFT - (Fire Protection District)	N/A	N/A	-
Medical malpractice (General Fund)	N/A	N/A	-
Net Pension Obligation (SRP)	N/A	N/A	-
Claims liabilities (General Insurance and Employee Benefit Insurance)	N/A	N/A	-
Unamortized bond premium (General Fund and General Services)	8/15/05-8/15/19	N/A	2,455
Total			<u>2,455</u>
Total Governmental Activities			<u>\$ 281,448</u>

COUNTY OF VENTURA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2005
(Continued)

Outstanding July 1, 2004	Additions and Transfers	Maturities and Transfers	Outstanding June 30, 2005	Amount Due Within One Year	Type of indebtedness/ liabilities
					Governmental Activities:
					<i>Certificates of Participation/Lease</i>
					<i>Revenue Bonds:</i>
\$ 2,330	\$ -	\$ 195	\$ 2,135	\$ 200	Public Facilities Corporation V
43,969	-	3,976	39,993	4,130	Public Financing Authority:
3,945	-	230	3,715	240	General Fund
27,110	-	490	26,620	1,475	General Services Agency - Facilities
77,354	-	4,891	72,463	6,045	Public Financing Authority II - General Fund
					Total
					<i>Tax Exempt Commercial Paper:</i>
19,348	4,423	5,844	17,927	2,916	Public Financing Authority:
2,311	-	807	1,504	719	General Fund
21,659	4,423	6,651	19,431	3,635	Information Systems
					Total
73,470	-	17,970	55,500	20,315	<i>Pension Obligation Bonds</i>
					<i>Loans Payable:</i>
158	-	28	130	29	County Service Areas
130	-	65	65	-	Redevelopment Agency - Piru (CDBG)
711	-	37	674	39	Redevelopment Agency - Piru (USDA)
999	-	130	869	68	(Maximum Commitment \$750)
					Total
49,702	22,589	19,901	52,390	26,978	<i>Compensated Absences Liability</i>
					<i>Other Liabilities:</i>
811	-	197	614	345	LUFT - (Transportation)
540	1	8	533	399	LUFT - (Fire Protection District)
488	-	-	488	-	Medical malpractice (General Fund)
294	31	16	309	-	Net Pension Obligation (SRP)
60,684	32,301	16,454	76,531	31,468	Claims liabilities (General Insurance and Employee Benefit Insurance)
2,072	-	161	1,911	160	Unamortized bond premium (General Fund and General Services)
64,889	32,333	16,836	80,386	32,372	Total
\$ 288,073	\$ 59,345	\$ 66,379	\$ 281,039	\$ 89,413	Total Governmental Activities

COUNTY OF VENTURA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2005
(Continued)

Type of indebtedness/ liabilities	Maturity	Interest Rates	Original Issue Amount
Business-type Activities - Major Funds:			
<i>Medical Center:</i>			
Public Facilities Corporation V	08/15/05-08/15/13	4.00 - 4.625%	\$ 8,695
Public Financing Authority I	08/15/05-08/15/16	4.00 - 5.375%	23,421
Public Financing Authority/ Tax Exempt Commercial Paper	Rolling	2.48 - 2.85%	3,753
Total Medical Center			<u>35,869</u>
<i>Department of Airports:</i>			
Department of Transportation Loan	08/13/05-08/13/15	4.984%	240
Department of Transportation Loan	05/13/05-05/13/14	4.635%	260
Total Department of Airports			<u>500</u>
<i>Waterworks Districts:</i>			
State Water Loan	04/01/05-04/01/15	3.371%	260
Revolving Fund Loan (Maximum Commitment of \$1,789)	09/01/05-09/01/22	2.60%	1,364
Public Financing Authority/ Tax Exempt Commercial Paper (Maximum \$500,000)	Rolling	2.48 - 2.85%	130
Total Waterworks Districts			<u>1,754</u>
Business-type Activities - Non-major Funds:			
<i>Parks Department:</i>			
Capital Lease Obligation	Monthly to 02/13	4.75%	<u>311</u>
<i>Channel Islands Harbor Expansion:</i>			
Channel Islands Harbor Loan (NOAA)	06/15/05-06/23/12	5.00%	450
State Recreation Loan	08/01/05-08/01/05	4.50%	1,225
State Recreation Loan	08/01/05-08/01/09	4.50%	4,668
Department of Boating and Waterways (Maximum Commitment of \$5,000)	08/01/05-08/01/32	4.50%	184
Total Channel Islands Harbor Expansion			<u>6,527</u>
<i>Channel Islands Harbor:</i>			
Public Facilities Corp V - Fuel Dock	08/15/05-08/15/13	4.00 - 4.625%	<u>530</u>
<i>Oak View Park and Resource Center:</i>			
Public Financing Authority/ Tax Exempt Commercial Paper	Rolling	2.48 - 2.85%	<u>1,200</u>
<i>Compensated Absences Liability</i>	N/A	N/A	<u>-</u>
<i>Other Liabilities:</i>			
LUFT (Department of Airports)	N/A	N/A	-
Claims liabilities (Health Care Plan)	N/A	N/A	-
Medical malpractice (Medical Center)	N/A	N/A	-
Total Other Liabilities			<u>-</u>
Total Business-type Activities			<u>\$ 46,691</u>

COUNTY OF VENTURA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2005
(Continued)

Outstanding July 1, 2004	Additions and Transfers	Maturities and Transfers	Outstanding June 30, 2005	Amount Due Within One Year	Type of indebtedness/ liabilities
Business-type Activities - Major Funds:					
<i>Medical Center:</i>					
\$ 7,070	\$ -	\$ 585	\$ 6,485	\$ 610	Public Facilities Corporation V
21,591	-	1,924	19,667	2,000	Public Financing Authority I
					Public Financing Authority/ Tax
2,432	390	592	2,230	620	Exempt Commercial Paper
31,093	390	3,101	28,382	3,230	Total Medical Center
<i>Department of Airports:</i>					
190	-	12	178	13	Department of Transportation Loan
198	-	15	183	17	Department of Transportation Loan
388	-	27	361	30	Total Department of Airports
<i>Waterworks Districts:</i>					
141	-	11	130	11	State Water Loan
1,329	-	56	1,273	57	Revolving Fund Loan
					(Maximum commitment of \$1,769)
-	130	-	130	-	Public Financing Authority/ Tax Exempt
1,470	130	67	1,533	68	Commercial Paper (Maximum of \$500,000)
					Total Waterworks Districts
Business-type Activities - Non-major Funds:					
<i>Parks Department:</i>					
105	-	12	93	12	Capital Lease Obligation
<i>Channel Islands Harbor Expansion:</i>					
210	-	22	188	22	Channel Islands Harbor Loan (NOAA)
150	-	73	77	77	State Recreation Loan
1,724	-	257	1,467	268	State Recreation Loan
182	-	4	178	3	Department of Boating and Waterways
					(Maximum Commitment of \$5,000)
2,266	-	356	1,910	370	Total Channel Islands Harbor Expansion
<i>Channel Islands Harbor:</i>					
390	-	30	360	35	Public Facilities Corporation V - Fuel Dock
<i>Oak View Park and Resource Center:</i>					
909	57	57	909	57	Public Financing Authority/ Tax Exempt
					Commercial Paper
3,855	2,752	2,253	4,354	2,717	Compensated Absences Liability
<i>Other Liabilities:</i>					
615	519	487	647	389	LUFT (Department of Airports)
4,008	15,128	16,215	2,921	1,201	Claims liabilities (Health Care Plan)
4,684	12	-	4,696	-	Medical malpractice (Medical Center)
9,307	15,659	16,702	8,264	1,590	Total Other Liabilities
\$ 49,783	\$ 18,988	\$ 22,605	\$ 46,166	\$ 8,109	Total Business-type Activities

COUNTY OF VENTURA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2005
(Continued)

As of June 30, 2005, annual debt service requirements of governmental activities to maturity are as follows (in thousands):

Year Ending June 30:	Certificates of Participation		Tax Exempt Commercial Paper		Pension Obligation Bonds		Loans Payable	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2006	\$ 6,045	\$ 3,065	\$ 3,635	\$ 534	\$ 20,315	\$ 2,986	\$ 68	\$ 41
2007	6,270	2,830	3,734	435	22,875	1,569	72	37
2008	6,514	2,583	2,583	331	12,310	408	76	32
2009	6,764	2,322	2,597	260	-	-	80	28
2010	5,095	2,079	2,462	189	-	-	112	24
2011-2015	25,200	7,149	4,396	220	-	-	269	86
2016-2020	16,575	1,594	24	2	-	-	192	18
Total requirements	<u>\$ 72,463</u>	<u>\$ 21,622</u>	<u>\$ 19,431</u>	<u>\$ 1,971</u>	<u>\$ 55,500</u>	<u>\$ 4,963</u>	<u>\$ 869</u>	<u>\$ 266</u>

Interest payments, lease revenue bonds, and certificate of participation retirements are serviced by revenues generated from lease payments made by the General Fund on leased facilities.

As of June 30, 2005, annual debt service requirements of business-type activities for major funds and non-major funds to maturity are as follows (in thousands):

Year Ending June 30:	MEDICAL CENTER				DEPARTMENT OF AIRPORTS		WATERWORKS DISTRICTS	
	Certificates of Participation		Tax Exempt Commercial Paper		Loans Payable		Loans Payable	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2006	\$ 2,610	\$ 1,158	\$ 620	\$ 61	\$ 30	\$ 17	\$ 68	\$ 38
2007	2,715	1,047	637	44	32	16	71	37
2008	2,831	926	211	27	33	15	202	35
2009	2,956	798	217	21	36	12	74	29
2010	1,890	691	223	15	37	12	76	28
2011-2015	9,935	2,054	191	30	182	27	409	107
2016-2020	3,215	171	131	11	11	1	381	58
2021-2025	-	-	-	-	-	-	252	12
Totals	<u>\$ 26,152</u>	<u>\$ 6,845</u>	<u>\$ 2,230</u>	<u>\$ 209</u>	<u>\$ 361</u>	<u>\$ 100</u>	<u>\$ 1,533</u>	<u>\$ 344</u>

COUNTY OF VENTURA
NOTES TO THE BASIC FINANCIAL STATEMENTS
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(Continued)

Year Ending June 30:	NON-MAJOR FUNDS					
	Certificates of Participation		Tax Exempt Commercial Paper		Loans Payable	
	Principal	Interest	Principal	Interest	Principal	Interest
2006	\$ 35	\$ 15	\$ 57	\$ 25	\$ 370	\$ 87
2007	35	13	59	23	305	70
2008	35	12	60	22	325	56
2009	40	10	62	20	338	40
2010	40	9	64	19	352	26
2011-2015	175	16	346	65	82	38
2016-2020	-	-	261	16	28	28
2021-2025	-	-	-	-	35	22
2026-2030	-	-	-	-	44	13
2031-2034	-	-	-	-	31	3
Totals	<u>\$ 360</u>	<u>\$ 75</u>	<u>\$ 909</u>	<u>\$ 190</u>	<u>\$ 1,910</u>	<u>\$ 383</u>

Legal Debt Limit

The County's legal annual debt limit as of June 30, 2005 is approximately \$985,728,000. The County's legal debt limit is set by statute at 1.25 percent of total assessed valuation. The general unaudited bonded debt per capita is \$0.00, due to the payment in full of the Watershed Protection and Waterworks Funds' general obligation debt during fiscal year 2003-04. Certificates of participation, tax exempt commercial paper, pension obligation bonds, and loans payable subject to the debt limit total \$181,718,000 at June 30, 2005.

Arbitrage

The Internal Revenue Code of 1986, Sections 103 and 141 through 150, restricts the amount of interest earned on the proceeds of tax-exempt issuances. The interest earnings rate cannot exceed the yield on the tax-exempt borrowings. The issuer is required to rebate any excess earnings to the federal government.

Every fifth year, until the last COP is paid or redeemed, an arbitrage calculation is required by the Internal Revenue Service. At least 90 percent of the arbitrage calculation is required to be paid at the installment due date. As of June 30, 2005, 100 percent of the arbitrage has been paid. The trustee yield-restricted all investments in accordance with the trustee's agreement; therefore, the arbitrage rebate amount should not fluctuate significantly in future years.

Special Assessment Debt

As of June 30, 2005, special assessment bonds were outstanding in the amounts of \$3,035,000 of Local Agency Revenue Bonds, 1998 Series "A", and \$2,910,000 of Limited Obligation Refunding Improvement Bonds for Reassessment District No. 98-1 (Lake Sherwood). On August 26, 1998, the PFA, a joint powers authority involving the County and the Lake Sherwood Community Services District, issued the Local Agency bonds and used the proceeds to purchase the Limited Obligation Bonds from the County. The payment for the Limited Obligation Bonds was used to refund the original District 90-1 (Lake Sherwood) Bonds.

COUNTY OF VENTURA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2005
(Continued)

As of June 30, 2005, tax exempt commercial paper was outstanding in the amount of \$909,000 for the Oak View School Preservation and Maintenance District (Oak Park District). On August 2, 2002, the Oak Park District was formed to purchase and rehabilitate the Oak View School for a community park and family resource center. The initial funding was provided by a loan from tax exempt commercial paper partially offset by grant funds. The cost of debt payments over the thirty year period and operations will be paid solely from benefit assessments.

The County acts as an agent for the property owners in collecting assessments for these districts, forwarding the collections to the bondholders, and initiating foreclosure proceedings, if appropriate. However, the County is not obligated in any manner for repayment of these special assessment bonds. The Lake Sherwood bonds are not reported in the accompanying financial statements. The County directly administers the Oak View School project and the related PFA debt; therefore, the debt, along with other PFA issued County debt, is included in the accompanying financial statements.

NOTE 11 – NET ASSETS/FUND BALANCES

The government-wide and proprietary fund financial statements utilize a net assets presentation. Net assets are categorized as invested in capital assets, net of related debt, restricted, and unrestricted.

- *Invested In Capital Assets, Net of Related Debt* – This category groups all capital assets, including infrastructure, into one component of net assets. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction, or improvement of these assets reduce the balance in this category.
- *Restricted Net Assets* – This category represents assets subject to external restrictions imposed by creditors, grantors, contributors or laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation. Outstanding liabilities attributable to these assets reduce the balance of this category.
- *Unrestricted Net Assets* – This category represents net assets of the County not restricted for any project or other purpose. Outstanding liabilities attributable to these assets reduce the balance of this category.

COUNTY OF VENTURA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2005
(Continued)

Fund Statement - Fund Balances

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted for use for a specific purpose. Reserved fund balances at June 30, 2005 are reserved for the following purposes (in thousands):

	General Fund	Roads	Watershed Protection Districts	Fire Protection District	Non-Major Funds	Total
Reserved Fund Balances						
Encumbrances	\$ 8,652	\$ 2,311	\$ 14,014	\$ 14,998	\$ 175	\$ 40,150
Long-term receivables	1,226	-	-	-	825	2,051
Imprest cash funds	697	-	-	-	5	702
Inventory	-	-	-	822	29	851
Debt service	-	-	-	-	14,767	14,767
Other legal restrictions	21,433	-	-	-	1,133	22,566
General reserve	7,000	-	-	-	22	7,022
Total Reserved fund balances	<u>\$ 39,008</u>	<u>\$ 2,311</u>	<u>\$ 14,014</u>	<u>\$ 15,820</u>	<u>\$ 16,956</u>	<u>\$ 88,109</u>

- *Encumbrances* – to reflect the outstanding contractual obligations for which goods and services have not been received.
- *Long-term receivables* – to reflect the amount of advances and loans that are long-term in nature and have not been deferred. Such amounts do not represent available spendable resources.
- *Imprest cash* - to reflect the portion of assets set aside for the purpose of minor disbursements or disbursements for a specific purpose.
- *Inventories* – to reflect the portion of assets which do not represent available spendable resources.
- *Debt service* – to reflect the funds held by trustees or fiscal agents for future payment of bond principal and interest. These funds are not available for general operations.
- *Other legal restrictions* – to reflect the portion of assets subject to externally imposed restrictions. Such amounts are not available for general operations.
- *General reserve* - to reflect the funds established for legally declared emergencies. Such reserves may be released only to meet emergencies as defined in Government Code Section 29127.

COUNTY OF VENTURA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2005
(Continued)

In the fund financial statements, governmental funds report unreserved fund balances which include Board approved unreserved designated fund balances and the unreserved undesignated fund balance. Unreserved fund balances at June 30, 2005 are as follows (in thousands):

	General Fund	Roads	Watershed Protection Districts	Fire Protection District	Non-Major Funds	Total
Designated Fund Balances						
Contingency	\$ 8,495	\$ -	\$ -	\$ -	\$ -	\$ 8,495
District Attorney contingency	500	-	-	-	-	500
Litigation	499	-	233	-	-	732
Unmet transit needs	-	450	-	-	-	450
Capital asset acquisition and replacement	4,645	-	-	5,061	82	9,788
Low and moderate housing	-	-	-	-	404	404
Future road projects	-	5,000	-	-	-	5,000
Future watershed protection projects	-	-	3,713	-	-	3,713
Future year financing	26,370	6,004	40,406	13,537	2,674	88,991
Total designated balances	40,509	11,454	44,352	18,598	3,160	118,073
Undesignated Fund Balances	73,496	25,272	25,202	13,697	7,107	144,774
Total unreserved fund balances	<u>\$ 114,005</u>	<u>\$ 36,726</u>	<u>\$ 69,554</u>	<u>\$ 32,295</u>	<u>\$ 10,267</u>	<u>\$ 262,847</u>

The Board has established certain fund balances designated for future purposes that represent tentative management plans that are subject to change. Some of the designations are held for a short time preliminary to special use. Other designations are set aside for longer periods for use in the future, whether for emergency, planned usage or savings. GASB 34 requires these designated balances to be included in the unreserved fund balance because the Board may elect to make the designations available. The General Fund designation for future year financing includes \$15.7 million for Tobacco Settlement health purposes.

The unreserved undesignated fund balances are considered available for appropriation. Some of the amounts available are held in County "trust funds" and as required by GASB 34 are recognized as revenue, deferred revenue or liabilities. However, for budgetary purposes, most of these trust balances may be included in subsequent years' budgets.

NOTE 12 – PENSION PLANS

VCERA Plan

(a) Plan Description

The County has a contributory defined benefit plan (Plan) established pursuant to Government Code Sections 31450 through 31899 and administered by the VCERA. VCERA operates a cost-sharing, multiple-employer system with substantially all member employers included in the County's primary government reporting entity. Covered employees include those from Courts, Air Pollution Control District and other smaller special districts. Due to the relative insignificance of the non-County employers participating in the plan, the County has elected to include financial statement disclosures required for a single-employer plan. Membership in the VCERA is mandatory for substantially all employees.

COUNTY OF VENTURA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2005
(Continued)

VCERA is governed by the Board of Retirement. The Plan's benefit provisions and contribution requirements are established by state law and resolutions and ordinances adopted by the Board of Retirement and Board of Supervisors. VCERA issues a stand-alone financial report. A copy of this report can be obtained by contacting the Retirement Association at 1190 South Victoria Avenue, Suite 200, Ventura, California, 93003.

Plan members are classified as either General or Safety categories. General members employed prior to or on June 29, 1979 and certain other employees before June 30, 2002 are designated as Tier I members. General members employed after June 29, 1979 are designated as Tier II members. All Safety members are classified as Tier I regardless of date of hire and primarily include eligible Sheriff's Department, Fire Department, District Attorney, and Probation employees.

(b) Retirement Benefits

A General or Safety member with 10 or more years of County service is entitled to an annual retirement allowance beginning at age 50. General members with 30 or more years of service and Safety members with 20 or more years of service may begin receiving a retirement allowance regardless of age. The basic retirement allowance is based upon the member's age, years of retirement service credit, and final average compensation.

Employees terminating before accruing five years of retirement service credit (five-year vesting) forfeit the right to receive retirement benefits unless they establish reciprocity with another public agency within the prescribed time period. Non-vested employees who terminate service are entitled to withdraw their accumulated contributions plus accrued interest. Employees who terminate service after earning five years of retirement service credit may leave their contributions on deposit and elect to take a deferred retirement. In addition, certain death, disability, and supplemental benefits are provided to eligible employees. Cost of living adjustments of up to three percent per annum are made for all Tier 1 employees.

(c) Actuarially Determined Contribution Requirements

The funding policy provides for periodic employer and employee contributions at actuarially determined rates, expressed as level percentages of annual covered payroll, that are sufficient to accumulate the required assets to pay benefits when due. The smoothing of market value method is used to determine the actuarial value of assets. In accordance with various employee collective bargaining agreements, the County subsidizes the employees' regular contributions in various amounts, depending on the classification of the employee. Contribution rates for employees range from 5.35 percent to 11.50 percent of retirement compensation base. Contribution rates are determined using the "entry age normal cost" method. Under this method, normal cost is the level amount that would fund the projected benefit if it was paid annually from the date of employment until retirement.

Employer and employee contribution rates in effect during fiscal year 2004-05 were based on the actuarial valuation performed as of June 30, 2003. The significant actuarial assumptions in the June 30, 2003 actuarial valuation are summarized as follows:

	<u>Assumptions</u>
• Rate of return on investment	8.00%
• Projected salary increases	5.00%
Amount attributable to inflation	4.25%
Amount attributable to seniority and merit	0.75%
• Annual cost of living increases after retirement (Tier 1 members only.)	3.00%

COUNTY OF VENTURA
NOTES TO THE BASIC FINANCIAL STATEMENTS
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(Continued)

(d) Contributions and Transfers Made

As a condition of participation, employees are required to contribute a percentage of their annual compensation to the Plan. The balance of member contributions, General and Safety, on deposit at June 30, 2005, was \$381,911,000. The County's contribution to the Plan, based on actuarially determined percentages of payroll costs, together with employees' contributions, are intended to provide the defined benefits of the Plan. The balance of employer contributions on deposit at June 30, 2005 were \$245,410,000.

No employer contributions were made in fiscal year 2002-03. Actuarially determined employer contributions of \$10,071,000 were made in 2003-04 and \$51,792,000 in 2004-05. These contributions represent 100 percent of the annual pension cost required for fiscal years 2003, 2004, and 2005. Therefore, in accordance with GASB Statement No. 27, there is no net pension obligation for fiscal years 2003, 2004, and 2005.

The County also made other employer contributions. Payments were made on behalf of employees as a result of employer-employee negotiations for fiscal years 2002-03, 2003-04, and 2004-05, in the amounts of \$5,384,000, \$5,637,000, and \$6,644,000, respectively. The negotiated amounts are credited to the County Advance Reserves of VCERA and do not vest with the employee.

The employees contributed \$7,809,000, including \$2,603,000 for purchase of service credits in fiscal year 2004-05. In addition, the County contributed \$19,159,000 on behalf of the employees as a "pickup" of employee contributions as a result of the employer-employee negotiations. This was credited to the individual employee accounts.

(e) Supplementary Information (Unaudited)

The supplemental schedule of funding progress for the three most recent actuarial valuations is as follows (in thousands):

	Actuarial Valuation June 30	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (b-a)	Funded Ratio (a/b)	Annual Covered Payroll (c)	AAL as a Percentage of Covered Payroll ((b-a)/c)
*	2003	\$ 2,057,493	\$ 2,202,018	\$ 144,525	93.44%	\$ 455,789	31.71%
**	2004	\$ 2,070,533	\$ 2,393,997	\$ 323,464	86.49%	\$ 475,935	67.96%
	2005	\$ 2,216,229	\$ 2,584,905	\$ 368,676	85.74%	\$ 478,053	77.12%

* After change in interest assumption.

** After change in inflation assumption.

(f) Investment Valuation

VCERA's investments are stated at fair value. The fair value of investments is based on published market prices and quotations from major investment brokers at current exchange rates, as available. The fair value of the VCERA's position in their trustee's investment pool is the same as the value of the pool shares. Other than those investments issued or guaranteed by the United States Government, no investments in any one organization represent five percent or more of net plan assets.

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(Continued)

Supplemental Retirement Plan

(a) Plan Description

The SRP is a single employer contributory defined benefit pension plan governed by the Board of Supervisors and provisions of Internal Revenue Code Section 401. The SRP was adopted on January 1, 1992, and amended on August 31, 1993, in April 2001, on June 8, 2004, and on May 17, 2005. A separate financial statement is not issued by SRP. The schedule of funding progress and schedule of employer contributions are included in the Required Supplementary Information section of this report.

In lieu of separately issued financial statements for the SRP, condensed financial statements are presented as follows (in thousands):

Statement of Fiduciary Net Assets

Cash and other current assets	\$ 8,890
Amount receivable from other governmental agencies	<u>309</u>
Total assets	<u>9,199</u>
Amount payable to other governmental agencies	<u>170</u>
Total liabilities	<u>170</u>
Net assets held in trust for pension benefits	<u>\$ 9,029</u>

Statement of Changes in Fiduciary Net Assets

Total additions	\$ 1,349
Total deductions	<u>494</u>
Change in net assets	855
Net assets - beginning	<u>8,174</u>
Net assets - ending	<u>\$ 9,029</u>

SRP has three parts. Part B, the "Safe Harbor" Plan, provides retirement benefits to County employees whose employment with the County does not otherwise entitle them to retirement benefits under the County's 1937 Act Retirement Plan or the Social Security Act and is in compliance with the Omnibus Budget Reconciliation Act of 1990. Eligible employees are vested upon enrollment. Part C, the "Early Retirement Incentive" Plan, provides early retirement benefits to County employees pursuant to periodic early retirement incentive programs adopted by the County and is a tax qualified pension plan under Internal Revenue Code Section 401(a). Part D, the Elected Department Head benefit, became part of SRP in April 2001 and provides a supplemental retirement benefit to the County's elected department heads for retirement parity with appointed agency/department heads. Part D was amended on June 8, 2004 to limit eligible participants to those employees in an Elected Department Head position between December 1, 2000 and June 8, 2004.

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NOTES TO THE BASIC FINANCIAL STATEMENTS
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(Continued)

The plan year of the SRP is the County's fiscal year. The actuarial covered payroll for all employees covered by SRP for the fiscal year ended June 30, 2005 was \$11,654,000 for Part B and \$962,000 for Part D based on the actuarial valuation report as of June 30, 2005.

Plan membership at June 30, 2005 was as follows:

<u>Member Classification</u>	<u>Number of Members</u>
Retirees and beneficiaries currently receiving benefits:	
Supplemental retirement members (Safe Harbor)	63
Early retirement members (Early Retirement Incentive Plan)	41
Elected department head members	4
Current employees members:	
Supplemental retirement members (Safe Harbor)	545
Elected department head members	6
Total	659

(b) Basis of Accounting

The accompanying financial statements were prepared on the accrual basis. Investment income is recognized when earned, and investment and administrative expenses are recorded when incurred. Employee and employer contributions are recognized as revenues in the period in which employee services are performed and are due under the terms of the plan. Benefit payments and member refunds are recognized when due and payable in accordance with the terms of the Plan.

(c) Benefits

Under Safe Harbor, a participant's monthly benefit or lump sum benefit is based on the total amount of compensation for the period of the participant's benefit accrual service for the last 30 years of participation. The participant is entitled to the benefit at age 65, or the termination of employment, whichever is later. The benefit will be payable as a single life annuity or if the actuarial present value of the accrued benefit is not more than \$5,000, in lieu of the monthly benefit, a one-time lump sum amount will be paid. If the participant dies before retirement benefits begin, the participant's beneficiary will be entitled to receive a lump-sum death benefit payment. In May 2005, the Safe Harbor Plan was amended to allow participants to receive an actuarially reduced benefit beginning at age 50, if terminated from County employment. Also in May 2005, the plan was amended to allow participants, upon retirement, to elect a joint and survivor annuity option in which the annuity benefit will continue to the surviving spouse upon the death of the retiree.

Under the Early Retirement Incentive Plan, the benefit is a monthly retirement benefit payable to the participant for life. Upon the death of the participant, the monthly retirement benefit shall be paid to the participant's surviving spouse, if any, for life.

The Elected Department Head benefit is a supplemental monthly retirement benefit payable to the participant for life. Upon the death of the participant, the monthly retirement benefit shall be paid to the surviving spouse for life, depending on the retirement payment option selected.

COUNTY OF VENTURA
NOTES TO THE BASIC FINANCIAL STATEMENTS
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(Continued)

(d) Actuarially Determined Contribution Requirement

The funding policy provides for periodic employer and employee contributions at actuarially determined rates expressed as percentages of annual covered payroll that are sufficient to accumulate the required assets to pay benefits when due. The actuarial cost method for Parts B and C is the traditional Unit Credit Cost method and for Part D, the Entry Age Normal method. The actuarial value of assets is fair value. The amortization method for Parts B and C is Level Dollar and for Part D is Level Percentage of Pay. The remaining amortization period is 10 years (rolling).

The current assumptions for funding purposes are based on the actuarial valuation report as of June 30, 2005.

	<u>Assumptions</u>
• Assumed rate of investment earnings	8%
• Assumed Group Annuity Mortality Table	
Part B	CalPers
Parts C and D	1983 Group
• Salary projection rate for Parts B and D	4%
• Inflation rate for Parts B, C, and D	3%
• Cost of living for Part D	0-3%

(e) Contributions

Contribution information for the three parts in SRP is as follows:

- **Safe Harbor:** Each participant contributes three percent of compensation to the plan on a pre-tax basis. Employee contributions cease upon attainment of 30 years of Benefit Accrual Service. The balance of member contributions at fair value on deposit at June 30, 2005 was \$5,869,000. Employer contributions for fiscal year 2004-05 at \$210,000 were less than the actuarially required contribution (ARC) of \$223,000, resulting in a net pension obligation (NPO) at June 30, 2005. The NPO at June 30, 2004 of \$245,000, increased by the difference between ARC and the actual contribution of \$13,000 and interest on the NPO of \$20,000 and reduced by the adjustment to the NPO of \$34,000, resulted in the NPO of \$244,000 at June 30, 2005. The reported annual pension cost of \$209,000 included the ARC (\$223,000), plus interest on the NPO (\$20,000), less the adjustment to the ARC (\$34,000).
- **Early Retirement Incentive Plan:** This benefit is funded by employer contributions. Employer contributions for fiscal year 2004-05 of \$21,000 were less than the ARC of \$36,000, resulting in a net pension obligation at June 30, 2005. The NPO at June 30, 2004 of \$22,000, increased by the difference between ARC and the actual contribution of \$15,000 and interest on the NPO of \$2,000 and reduced by the adjustment to the NPO of \$3,000, resulted in the NPO of \$36,000 at June 30, 2005. The reported annual pension cost of \$35,000 included the ARC (\$36,000), plus interest on the NPO (\$2,000), less the adjustment to the ARC (\$3,000).
- **Elected Department Heads:** The benefit is funded by employer contributions. Employer contributions for fiscal year 2004-05 of \$149,000 were less than the ARC of \$152,000, resulting in a net pension obligation at June 30, 2005. The NPO at June 30, 2004 of \$27,000, increased by the difference between ARC and the actual contribution of \$3,000 and interest on the NPO of \$2,000 and reduced by the adjustment to the NPO of \$3,000, resulted in the NPO of \$29,000 at June 30, 2005. Reported annual pension cost of \$151,000 included the ARC (\$152,000), plus interest on the NPO (\$2,000), less the adjustment to the ARC (\$3,000).

COUNTY OF VENTURA
NOTES TO THE BASIC FINANCIAL STATEMENTS
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(Continued)

The balance of employer contributions for SRP at fair value on June 30, 2005 was \$3,160,000 for all parts. Employer contributions were \$117,000, \$296,000, and \$380,000 in fiscal years 2002-03, 2003-04, and 2004-05, respectively. Such contributions were less than ARC for each year, resulting in net pension obligations disclosed on page 103 (Required Supplementary Information). Annual pension cost reported in the Statement of Changes in Fiduciary Net Assets for fiscal years 2003-04 and 2004-05 were \$590,000 and \$395,000, respectively.

The fair value of the SRP investment portfolio increased in fiscal year 2004-05 by \$658,000. Total deductions of \$494,000 were due to benefit payments and administrative costs.

(f) Administrative Expenses

The costs of administration of the Plan shall be paid from the Plan, as long as the expenses are considered reasonable by the Plan Administrator. Such expenses shall include, but are not limited to, expenses for professional, legal, accounting, actuarial, and investment services. Administrative expenses for fiscal year 2004-05 totaled \$216,000.

Management Retiree Health Payment

On June 8, 1999, the Board adopted a new benefit for management employees. Employees who retired after July 1, 1999 became eligible to receive one year of payments for five years of service, up to a maximum of five years of coverage. Payments of approximately \$386 per month were equivalent to premiums for the Ventura County Health Care Plan. Total payments in fiscal year 2004-05 were \$839,000. Estimated total payments for fiscal year 2005-06 are \$968,000. The payments do not constitute any guarantee of medical care benefits. On June 21, 2005, the Board of Supervisors approved the elimination of this benefit for employees hired after July 2, 2005.

NOTE 13 - TAX AND REVENUE ANTICIPATION NOTES PAYABLE

On July 1, 2004, the County issued \$145,000,000 in Tax and Revenue Anticipation Notes (Notes) at a 3.00 percent interest rate, priced to yield 1.60 percent, to meet current year cash flow requirements for operational needs. At June 30, 2005, the outstanding principal was \$145,000,000. Principal and interest for fiscal year 2004-05 was paid on July 1, 2005, the maturity date of these notes.

The Notes, in accordance with California law, are general obligations of the County and are payable from fiscal year 2004-05 taxes and other revenues, which are legally available for payment thereof.

The summary of the notes transactions for the fiscal year ended June 30, 2005 is as follows (in thousands):

Beginning Balance June 30, 2004	Additions	Reductions	Ending Balance June 30, 2005	Due Within One Year
\$105,000	\$145,000	\$105,000	\$145,000	\$145,000

COUNTY OF VENTURA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2005
(Continued)

NOTE 14 – RISK MANAGEMENT

The County is exposed to various risks of loss related to torts; hospital liability (malpractice); errors and omissions; theft of, damage to, and destruction of assets; and natural disasters for which the government is either self-insured, commercially insured, or a combination of both.

The Human Resources Department acquired commercial insurance for primary group medical and long-term disability insurance. Unemployment insurance benefits are self-insured and administered by the Human Resources Department within the Employee Benefits Insurance Internal Service Fund. Professional Firefighters and Deputy Sheriffs Associations also administer commercial group medical insurance plans available for their members.

The Ventura County Health Care Plan (VCHCP), administered by the Health Care Agency, provides a County self-insured medical plan for County employees. In addition, a separate self-insured plan is offered to certain other County employees and to related clinic employees through their employers. A state Healthy Families plan is also available from VCHCP. Excess commercial coverage is also purchased for VCHCP.

The Risk Management Department within the General Insurance Internal Service Fund administers the commercial and self-insurance aspects of the County's casualty risk programs. General liability is self-insured to \$500,000 per occurrence, thereafter, covered by excess commercial liability insurance up to \$21 million per occurrence, then self-insured to an unlimited amount. In October 2004, the County joined CSAC Excess Insurance Authority, a joint powers authority, for property and earthquake coverage. The Authority was formed in 1979 by and for California counties and currently has 53 participating counties. The Authority is governed by a Board of Directors composed of one director from each member county appointed by each member county's Board of Supervisors. The Authority annually issues an audited Comprehensive Annual Financial Report. Through participation in the Authority, risk is pooled (shared) among the pool participants. Accordingly, the premiums are reported as insurance expenses in the General Liability Internal Service Fund as required by GASB Statement No. 10 - *Accounting and Financial Reporting for Risk Financing and Related Insurance Issues*.

Medical malpractice liability insurance provides deductibles of \$100,000 per claim and provides liability coverage up to \$50 million per incident. Medical malpractice tail coverage is self-insured. In March 2004, the County participated in the BETA Healthcare Group, a joint powers authority, for the purpose of purchasing medical malpractice insurance. This risk-sharing pool program, established as a cost effective alternative to the commercial insurance market, is structured like a traditional insurer in that members are not assessed for excess pool losses. Coverage was renewed in July 2005. Workers' compensation occurrences are self-insured effective July 1, 2002 with coverage for all employees. Injuries occurring prior to July 1, 2002 are fully covered by the prior commercial insurer without a maximum.

As described in Note 2 - Deficit Net Assets/ Fund Balance, the General Insurance internal service fund had deficit net assets of \$294,000. The workers' compensation component, in its third year of self-insured operation, accounted for \$6,783,000 of the deficit, decreasing by \$3,158,000 from the prior year, as a result of the implementation of the County's five-year deficit elimination plan. The hazardous materials and general liability components had positive net assets.

COUNTY OF VENTURA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2005
(Continued)

The unpaid claims liabilities included in the self-insurance fund are based on actuarial studies and include amounts for claims incurred but not reported including loss adjustment expenses. Beginning with fiscal year 1994-95, the General Insurance liabilities were discounted at 5.5 percent. The revenue received, including interest, and contribution funded liabilities, and net assets are sufficient to meet liabilities as they come due.

Changes in the balances of claims liabilities of General Insurance and Employee Benefits Internal Service Funds and Health Care Plan Enterprise Fund during fiscal years 2003-04 and 2004-05 are as follows (in thousands):

	Fiscal Year	
	2003-04	2004-05
Claims liabilities, beginning	\$ 42,118	\$ 64,692
Incurred losses and adjustments	46,871	47,429
Claim payments	(24,297)	(32,669)
Claims liabilities, ending	<u>\$ 64,692</u>	<u>\$ 79,452</u>

NOTE 15 – CONTINGENCIES

Audit of Handicapped and Disabled Students Claim

The State Controller's Office audited claims filed for providing mental health services to children under the SB 90 Mandated Costs Reimbursement Program for Fiscal Years 1998-99 and 1999-2000. The County will continue to appeal the remaining \$671,000 in disallowances with a possible revenue offset of \$525,000. The issues are medicine monitoring, crisis intervention and assessment, and treatment costs not specifically itemized in the claim's parameters and guidelines.

The audit for the period of July 1, 2000 through June 30, 2003 was concluded, and an audit report was issued in March 2005 with a finding of unallowable costs of \$1,650,000. Medication monitoring costs accounted for over \$717,000 of the disallowed costs. SB 1895, which took effect on September 13, 2004, required the Commission on State Mandates (CSM) to reconsider the Statement of Decision it issued in 1990, which did not provide for reimbursement of medication monitoring and crisis intervention services. In December 2005, CSM approved new parameters and guidelines, which, among other things, approves medication monitoring reimbursement claims beginning with fiscal year 2001-02. Management believes that costs ultimately disallowed, if any, will not materially affect the financial condition of the County.

Channel Islands Harbor

Channel Islands Harbor Marina, Inc. (CIM) sued the County of Ventura (County) in July 2003 for breach of contract and for inverse condemnation, seeking compensation for its improvements at the marina in Channel Islands Harbor. CIM alleged that the County interfered with its obtaining permits to remove the improvements at the end of the Ground Lease term and that it had a right under the Ground Lease to be compensated for the improvements or to remove them. CIM sought \$3,500,000 in damages plus interest at the legal rate, attorney's fees, and costs.

Trial of the matter was bifurcated into liability and damage phases. The liability phase concluded on September 7, 2004 with the Court's issuance of a Tentative Ruling in favor of CIM on its breach of contract and inverse condemnation causes of action.

COUNTY OF VENTURA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2005
(Continued)

The damage phase of the trial was completed in May 2005. Damages in the amount of \$3,500,000 were awarded to CIM and against the County of Ventura, along with interest at the legal rate and reimbursement of attorney fees. Although the County is appealing, a liability of \$4,423,000 is reported in the Channel Islands Harbor Fund (a non-major enterprise fund) disclosed in Note 8.

Bordier's Nursery

Bordier's Nursery owns real property adjacent to the County's recently realigned Moorpark Road. Bordier's lawsuit alleged that the County has a mandatory duty to remove Knoll A on its property because the County imposed its removal as an environmental mitigation measure in the approval of the Moorpark Road Realignment Project. The County's position is that the Project was subsequently modified, and there is no longer a duty to remove Knoll A. The trial was held on November 14, 2005, resulting in a ruling that the County must remove Knoll A or take administrative action to change mitigation measures previously approved for the Project. The County has vigorously defended this matter and will continue to do so on appeal, if necessary. Estimated potential losses of \$500,000 to \$600,000 could result if the outcome is unfavorable. In the opinion of management, estimated costs, if any, would not materially affect the financial condition of the County.

Ventura County Employees' Retirement Association (VCERA)

On July 1, 2003, a lawsuit was filed against VCERA by George Mathews, individually and, as subsequently ordered by the court, as a class representative for all past, present, or future members of the VCERA, claiming that the VCERA Board of Trustees (Retirement Board) had a fiduciary duty to use the excess earnings of the retirement system to provide additional benefits and not to reduce the County's annual employer contributions. The amount of the claim was \$80,000,000. The County intervened in the case as a defendant in March 2004. The trial of the first phase of the dispute, including the question of whether the Retirement Board had a fiduciary duty to use the surplus funds to provide additional benefits or to increase reserves, was completed on June 21, 2005. On December 13, 2005, the Ventura County Superior Court issued a tentative decision, determining that VCERA's use of excess earnings to reduce or completely offset the County's contributions from 1998-2004 did not violate the California Constitution. In addition, the Court denied Mathews' petition to order the County to pay to VCERA all excess earnings used to relieve the County of its normal contributions from 1998-2004. This decision is subject to appeal by Mathews. The outcome cannot be predicted.

Ladd and Associates (Ladd)

Ladd is the general contractor for a Watershed Protection District project to construct the Lang Creek Debris and Detention Basins in the City of Thousand Oaks. Ladd has filed a complaint in arbitration against the District and the County alleging changed conditions and misrepresentation and is seeking significant monetary damages. The arbitration hearing has been scheduled for March and April 2006. The outcome cannot be predicted at this time.

La Conchita Claims

On January 10, 2005, the privately owned hillside above the community of La Conchita collapsed, following a series of powerful Pacific storms, producing a massive mud and debris slide that killed ten people, destroyed ten homes, and damaged several other homes. The County has received 150 tort claims, potentially exceeding \$1,000,000 in total, related to this incident. The claims are primarily for wrongful death, property damage, and diminution of property value and are based on a number of legal theories including negligence, failure to warn, and dangerous condition of public property. All the claims have been denied by the County. No lawsuits have yet been filed. At this time, the County cannot predict the outcome of the claims.

COUNTY OF VENTURA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2005
(Continued)

Grants

The County recognizes as revenue grant monies received as reimbursement for costs incurred in certain federal and state programs it administers. The County's grant programs have been audited through June 30, 2004 under the requirements of the Single Audit Act and OMB Circular A-133. Such programs are generally subject to review and audit by the grantor agencies. Such audits could result in requests for reimbursement to grantor agencies for expenditures disallowed under the terms of the grant or in reductions of future grant monies. A designation for contingencies in the amount of \$8,495,000 is established in the General Fund for this possibility. Based on prior experience, management believes that grant costs ultimately disallowed, if any, would not materially affect the financial condition of the County.

Other

Legal proceedings normally occur related to construction projects and are subject to arbitration by agreement. Claims are negotiated by the County of Ventura. In the opinion of management, current claims are not likely to have a material adverse impact on the County financial statements and accordingly no provision for losses has been recorded.

NOTE 16 – SUBSEQUENT EVENTS

Tax and Revenue Anticipation Notes

On July 1, 2005, the County issued \$145,000,000 of 4.00 percent fixed-rate, priced to yield 2.54 percent, tax and revenue anticipation notes. The notes received SP-1+ and MIG1 ratings from Standard and Poor's Corporation (S & P) and Moody's Investors Services (Moody's), respectively. Proceeds from the notes will be used to meet fiscal year 2005-06 expenditures including capital expenditures and the discharge of other obligations of the County. The maturity date of the notes is July 3, 2006.

Both S & P and Moody's have upgraded the County's credit rating as of June 8, 2005 and November 3, 2005, respectively. The ratings were upgraded from A+ to AA- by S & P and from A2 to A1 by Moody's.

Santa Paula Memorial Hospital, Inc.

On October 5, 2004, following a public hearing, the Board of Supervisors approved by resolution the purchase agreement and the payment of \$2,750,000 for the assets of Santa Paula Memorial Hospital, Inc., which include the buildings, personal property, and approximately 13.5 acres of land. The agreement was predicated on certain conditions, including the ability of the County to obtain regulatory approval to operate the hospital facility under the full licensure of Ventura County Medical Center. Consummation of the agreement would not occur unless and until the precedent conditions in the agreement were satisfied.

On September 20, 2005, the Medical Center remitted \$2,750,000 plus one-half of escrow fees, pursuant to the agreement. The hospital is expected to open in 2006.

REQUIRED
SUPPLEMENTARY
INFORMATION
(OTHER THAN MD & A)
(UNAUDITED)



COUNTY OF VENTURA
REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

SUPPLEMENTAL RETIREMENT PLAN

Schedule of Funding Progress
(In Thousands)

(1)	Fiscal Year Ending June 30	Actuarial Valuation	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (b- a)	Funded Ratio (a/b)	Annual Covered Payroll (c)	Unfunded AAL as a Percentage of Covered Payroll ((b-a)/c)
B	2003	6/30/2003	\$ 6,026	\$ 7,398	\$ 1,372	81%	\$ 10,197	13.45%
B	2004	6/30/2004	\$ 7,041	\$ 8,036	\$ 995	88%	\$ 11,206	8.88%
B	2005	6/30/2005	\$ 7,812	\$ 8,321	\$ 509	94%	\$ 11,654	4.37%
C	2003	6/30/2003	\$ 501	\$ 658	\$ 157	76%	N/A	N/A
C	2004	6/30/2004	\$ 427	\$ 676	\$ 249	63%	N/A	N/A
C	2005	6/30/2005	\$ 403	\$ 660	\$ 257	61%	N/A	N/A
D	2003	6/30/2003	\$ 306	\$ 1,458	\$ 1,152	21%	\$ 956	120.50%
D	2004	6/30/2004	\$ 412	\$ 1,550	\$ 1,138	27%	\$ 926	122.89%
D	2005	6/30/2005	\$ 504	\$ 1,602	\$ 1,098	31%	\$ 962	114.14%

Schedule of Employer Contributions
(In Thousands)

(1)	Fiscal Year Ending June 30	Actuarial Valuation Date	Annual Required Contribution (a)	Actual Contribution (b)	Interest on Net Pension Obligation (c)	Adjustment to Annual Required Contribution (d)	Decrease in Net Pension Obligation (e)=(c-d)	Net Pension Obligation (f)=(a-b+e+PY f)
B	2003	6/30/2003	\$ 139	\$ -	\$ -	\$ -	\$ -	\$ 139
B	2004	6/30/2004	\$ 248	\$ 134	\$ 11	\$ 19	\$ (8)	\$ 245 (2)
B	2005	6/30/2005	\$ 223	\$ 210	\$ 20	\$ 34	\$ (14)	\$ 244 (2)
C	2003	6/30/2003	\$ 14	\$ -	\$ -	\$ -	\$ -	\$ 14
C	2004	6/30/2004	\$ 23	\$ 14	\$ 1	\$ 2	\$ (1)	\$ 22 (2)
C	2005	6/30/2005	\$ 36	\$ 21	\$ 2	\$ 3	\$ (1)	\$ 36 (2)
D	2003	6/30/2003	\$ 148	\$ 117	\$ (1)	\$ (1)	\$ -	\$ 20
D	2004	6/30/2004	\$ 155	\$ 148	\$ 2	\$ 2	\$ -	\$ 27 (2)
D	2005	6/30/2005	\$ 152	\$ 149	\$ 2	\$ 3	\$ (1)	\$ 29 (2)

(1) Part B (Safe Harbor), Part C (Early Retirement Incentive Plan), Part D (Elected Department Head)

(2) Accrued in SRP fiduciary fund and governmental activities.

COUNTY OF VENTURA
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2005
(In Thousands)

	TOTAL GENERAL FUND			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual Amount	
Resources (inflows):				
Taxes	\$ 199,546	\$ 201,296	\$ 209,118	\$ 7,822
Licenses, permits, and franchises	15,039	15,109	16,370	1,261
Fines, forfeitures, and penalties	16,857	17,528	15,738	(1,790)
Revenue from use of money and property	6,964	6,983	4,350	(2,633)
Aid from other governmental units	316,599	333,858	333,815	(43)
Charges for services	120,156	120,584	119,481	(1,103)
Other	26,005	29,999	28,879	(1,120)
Amount available for appropriation	701,166	725,357	727,751	2,394
Charges to appropriations (outflows):				
General government:				
Salaries and benefits	38,390	30,620	29,346	1,274
Services and supplies	40,679	37,989	20,582	17,407
Other charges	24,933	24,933	21,972	2,961
Contingencies	2,000	275	-	275
Total general government	106,002	93,817	71,900	21,917
Public protection:				
Salaries and benefits	224,520	234,683	232,820	1,863
Services and supplies	73,840	75,554	69,074	6,480
Other charges	18,390	19,323	18,717	606
Total public protection	316,750	329,560	320,611	8,949
Health and sanitation services:				
Salaries and benefits	63,204	62,421	59,900	2,521
Services and supplies	38,320	43,604	39,690	3,914
Other charges	2,314	2,463	2,414	49
Total health and sanitation services	103,838	108,488	102,004	6,484
Public assistance:				
Salaries and benefits	64,445	67,296	61,211	6,085
Services and supplies	35,099	36,613	32,659	3,954
Other charges	60,274	60,274	60,075	199
Total public assistance	159,818	164,183	153,945	10,238
Education:				
Salaries and benefits	475	476	455	21
Services and supplies	195	205	169	36
Total education	670	681	624	57
Capital outlay	7,850	14,294	9,643	4,651
Debt service:				
Principal retirement	10,238	-	-	-
Interest and fiscal charges	7,223	4,394	4,394	-
Total charges to appropriation	712,389	715,417	663,121	52,296
Excess (deficiency) of revenues over (under) expenditures	(11,223)	9,940	64,630	54,690
Other financing sources (uses):				
Proceeds from debt	3,660	2,251	-	(2,251)
Transfers in	26,314	26,955	23,746	(3,209)
Transfers out	(31,568)	(52,099)	(51,247)	852
Total other financing sources (uses)	(1,594)	(22,893)	(27,501)	(4,608)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(12,817)	(12,953)	37,129	50,082
Fund balances - beginning	113,324	113,324	113,324	-
Fund balances - ending	\$ 100,507	\$ 100,371	\$ 150,453	\$ 50,082

COUNTY OF VENTURA
BUDGETARY COMPARISON SCHEDULE
ROADS FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2005
(In Thousands)

	ROADS			Variance with
	Original Budget	Final Budget	Actual Amount	Final Budget Positive (Negative)
Resources (inflows):				
Taxes	\$ 1,645	\$ 1,645	\$ 1,420	\$ (225)
Licenses, permits and franchises	150	150	347	197
Fines, forfeitures and penalties	244	244	294	50
Revenue from use of money and property	456	456	619	163
Aid from other governmental units	21,330	21,380	17,159	(4,221)
Charges for services	-	-	180	180
Other	434	434	175	(259)
Amount available for appropriation	<u>24,259</u>	<u>24,309</u>	<u>20,194</u>	<u>(4,115)</u>
Charges to appropriations (outflows):				
Public ways and facilities				
Services and supplies	36,200	31,446	23,454	7,992
Other charges	2,000	2,000	701	1,299
Contingencies	5,336	5,430	-	5,430
Total public ways and facilities	<u>43,536</u>	<u>38,876</u>	<u>24,155</u>	<u>14,721</u>
Capital outlay	269	4,923	4,923	-
Total charges to appropriation	<u>43,805</u>	<u>43,799</u>	<u>29,078</u>	<u>14,721</u>
Deficiency of revenues over (under) expenditures	<u>(19,546)</u>	<u>(19,490)</u>	<u>(8,884)</u>	<u>10,606</u>
Other financing sources (uses):				
Proceeds from sale of capital assets	-	-	48	48
Transfer in	-	450	450	-
Transfer out	(175)	(186)	(31)	155
Total financing sources (uses)	<u>(175)</u>	<u>264</u>	<u>467</u>	<u>203</u>
Deficiency of revenues and other sources over (under) expenditures and other uses	<u>(19,721)</u>	<u>(19,226)</u>	<u>(8,417)</u>	<u>10,809</u>
Fund balances - beginning	<u>45,140</u>	<u>45,140</u>	<u>45,140</u>	<u>-</u>
Fund balances - ending	<u>\$ 25,419</u>	<u>\$ 25,914</u>	<u>\$ 36,723</u>	<u>\$ 10,809</u>

COUNTY OF VENTURA
BUDGETARY COMPARISON SCHEDULE
WATERSHED PROTECTION DISTRICTS FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2005
(In Thousands)

	WATERSHED PROTECTION DISTRICTS			
	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
Resources (inflows):				
Taxes	\$ 11,781	\$ 11,781	\$ 12,297	\$ 516
Licenses, permits and franchises	66	66	163	97
Fines, forfeitures and penalties	63	63	36	(27)
Revenue from use of money and property	1,157	1,157	2,027	870
Aid from other governmental units	6,357	10,857	7,161	(3,696)
Charges for services	11,671	11,671	12,621	950
Other	10	10	226	216
Amount available for appropriation	<u>31,105</u>	<u>35,605</u>	<u>34,531</u>	<u>(1,074)</u>
Charges to appropriations (outflows):				
Public protection				
Services and supplies	62,769	60,375	34,197	26,178
Other charges	4,640	4,640	318	4,322
Contingencies	9,628	8,924	-	8,924
Total public protection	<u>77,037</u>	<u>73,939</u>	<u>34,515</u>	<u>39,424</u>
Capital outlay	<u>24</u>	<u>9,775</u>	<u>9,775</u>	<u>-</u>
Total charges to appropriation	<u>77,061</u>	<u>83,714</u>	<u>44,290</u>	<u>39,424</u>
Deficiency of revenues over (under) expenditures	<u>(45,956)</u>	<u>(48,109)</u>	<u>(9,759)</u>	<u>38,350</u>
Other financing sources (uses):				
Proceeds from sale of capital assets	-	-	91	91
Transfer out	(466)	(581)	(381)	200
Total financing sources (uses)	<u>(466)</u>	<u>(581)</u>	<u>(290)</u>	<u>291</u>
Deficiency of revenues and other sources over (under) expenditures and other uses	<u>(46,422)</u>	<u>(48,690)</u>	<u>(10,049)</u>	<u>38,641</u>
Fund balances - beginning	<u>94,361</u>	<u>94,361</u>	<u>94,361</u>	<u>-</u>
Fund balances - ending	<u>\$ 47,939</u>	<u>\$ 45,671</u>	<u>\$ 84,312</u>	<u>\$ 38,641</u>

COUNTY OF VENTURA
BUDGETARY COMPARISON SCHEDULE
FIRE PROTECTION DISTRICT FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2005
(In Thousands)

	FIRE PROTECTION DISTRICT			
	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
Resources (inflows):				
Taxes	\$ 78,375	\$ 78,375	\$ 81,880	\$ 3,505
Licenses, permits and franchises	725	725	963	238
Fines, forfeitures and penalties	50	50	52	2
Revenue from use of money and property	807	807	1,043	236
Aid from other governmental units	7,606	9,351	10,385	1,034
Charges for services	702	927	815	(112)
Other	2,534	2,534	3,684	1,150
Amount available for appropriation	90,799	92,769	98,822	6,053
Charges to appropriations (outflows):				
Public protection				
Salaries and benefits	77,660	78,730	78,268	462
Services and supplies	14,279	15,768	13,521	2,247
Other charges	-	-	-	-
Contingencies	250	152	-	152
Total public protection	92,189	94,650	91,789	2,861
Capital outlay	21,771	28,386	9,949	18,437
Debt service:				
Principal retirement	498	498	498	-
Interest and fiscal charges	81	81	24	57
Total charges to appropriation	114,539	123,615	102,260	21,355
Deficiency of revenues over (under) expenditures	(23,740)	(30,846)	(3,438)	27,408
Other financing sources (uses):				
Proceeds from sale of capital asset	30	30	60	30
Transfer in	-	-	-	-
Transfer out	(250)	(250)	(250)	-
Total financing sources (uses)	(220)	(220)	(190)	30
Deficiency of revenues and other sources over (under) expenditures and other uses	(23,960)	(31,066)	(3,628)	27,438
Fund balances - beginning	50,876	50,876	50,876	-
Fund balances - ending	\$ 26,916	\$ 19,810	\$ 47,248	\$ 27,438

COUNTY OF VENTURA
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

Budgetary Adoption

The County is legally required to adopt a balanced annual budget for the General Fund, special revenue funds, the permanent fund, and the debt service and capital projects funds of the Watershed Protection Districts, Pension Obligation Bonds, Redevelopment Agency Piru Project, Juvenile Justice Complex, and the Juvenile Justice Complex Courthouse. The County adheres to provisions of the California Government Code Sections 29000 through 29144, known as The County Budget Act. Annually, the Board conducts a public hearing for discussion of the proposed budget. At the conclusion of the hearing, and no later than August 30, the Board adopts the final budget including revisions by resolution. A Final Budget book is published.

Budgetary Comparisons

GASB 34 requires a budgetary comparison for the major general and special revenue funds from the funds financial statements. The County has elected to present this information as Required Supplementary Information. Analysis of the General Fund budget is included in Management's Discussion and Analysis.

The comparisons required are between original budget and final budget and between final budget and actual on a budgetary basis. The "original budget" includes the original approved budget (published as the Final Budget) plus appropriations for prior year approved roll-over encumbrances. The "final budget" is the budget as Board approved at the end of the fiscal year. The "actual on a budgetary basis" includes the actual revenues and expenditures as presented in the budget and as adjusted for the fund financial statements.

The primary changes are as follows:

- For budgetary purposes, inventory items are recognized as expenditures when purchased. Under accounting principles generally accepted in the United States of America (GAAP), inventories at year-end are recorded as an asset.
- For budgetary purposes, changes in the fair value of investments are not recognized as increases or decreases to revenue. Under GAAP such changes are recognized as increases or decreases to revenue.
- For budgetary purposes, the County agency fund amounts planned by departments for use during the fiscal year were recognized as revenue. Under GAAP and GASB 33 and 34, all County agency funds must be included within the related County fund as revenue, deferred revenue, or liability.

COUNTY OF VENTURA
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2005
(Continued)

The following schedule is a reconciliation for major funds of the differences between fund balances on the actual on a budgetary basis and GAAP basis fund balances (in thousands):

	General Fund	SPECIAL REVENUE FUNDS		
		Roads	Watershed Protection Districts	Fire Protection District
Fund Balances - Actual on a budgetary basis	\$ 150,453	\$ 36,723	\$ 84,312	\$ 47,248
Adjustments:				
Change in reserve for inventories	(9)	-	-	223
Change in fair value of investments	223	74	189	77
Addition of county agency funds	2,346	2,240	(933)	567
Total adjustments	2,560	2,314	(744)	867
Fund balances - GAAP basis	\$ 153,013	\$ 39,037	\$ 83,568	\$ 48,115

Supplemental Appropriations

The Board may approve supplemental appropriations during the year if revenues are received from unanticipated sources or from anticipated sources, but in excess of estimates thereof. Transfers of appropriations between budget units/departments must also be approved by the Board.

Supplemental appropriations for those funds which the County is legally required to adopt an annual budget approximated \$50,998,000 for the fiscal year ended June 30, 2005.

Level of Budgetary Control

County expenditures are controlled at the object level (salaries and benefits, services and supplies, other charges, and other financing uses) and sub-object level (capital assets) within budget units/departments for the County. The object level is the level at which expenditures may not legally exceed appropriations. Any transfer of appropriations between object levels within the same budget unit is delegated by the Board to the County Executive Officer.

The County is legally required to adopt an annual budget including over 90 budget units/departments in over 30 funds. Because of this large volume of detail, a separate Departmental Budget Report of Revenues and Expenditures – Budget and Actual on a Budgetary Basis has been prepared at the budget unit/department, function, and object level for those funds for which the County is legally required to adopt an annual budget. After approved year-end and post-closing adjustments, there are no departments exceeding appropriations at the object level. The budgetary document is available to the general public in the Auditor-Controller's Office.

Encumbrances

The County requires use of an encumbrance system as an extension of normal budgetary accounting to assist all funds in controlling expenditures. Under this system, purchase orders, contracts, and other commitments for the expenditures of funds are recorded in order to reserve that portion of applicable appropriations. Encumbrances outstanding at year-end are recorded as reservations of fund balance in the governmental funds. Unencumbered appropriations lapse at year-end. Encumbered appropriations are carried forward in the ensuing year's budget.

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SUPPLEMENTARY INFORMATION



NONMAJOR
GOVERNMENTAL
FUNDS



COUNTY OF VENTURA
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
JUNE 30, 2005
(In Thousands)

	Total Non-Major Governmental Funds	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	George D. Lyon Permanent Fund
ASSETS					
Cash and investments	\$ 28,922	\$ 12,760	\$ 14,044	\$ 988	\$ 1,130
Receivables, net	3,210	3,101	97	6	6
Due from other funds	1,024	398	590	35	1
Inventories and other assets	33	33	-	-	-
Loans receivable	825	825	-	-	-
Advances to other funds	60	-	60	-	-
Total assets	<u>\$ 34,074</u>	<u>\$ 17,117</u>	<u>\$ 14,791</u>	<u>\$ 1,029</u>	<u>\$ 1,137</u>
LIABILITIES					
Accounts payable	\$ 1,482	\$ 1,087	\$ -	\$ 395	\$ -
Accrued liabilities	1,848	1,848	-	-	-
Due to other funds	3,455	2,111	24	1,320	-
Unearned revenue	66	66	-	-	-
Total liabilities	<u>6,851</u>	<u>5,112</u>	<u>24</u>	<u>1,715</u>	<u>-</u>
FUND BALANCES					
Reserved	16,956	1,056	14,767	-	1,133
Unreserved, designated	3,160	3,160	-	-	-
Unreserved, undesignated reported in					
Special revenue funds	7,789	7,789	-	-	-
Capital projects funds	(686)	-	-	(686)	-
Permanent funds	4	-	-	-	4
Total fund balances	<u>27,223</u>	<u>12,005</u>	<u>14,767</u>	<u>(686)</u>	<u>1,137</u>
Total liabilities and fund balances	<u>\$ 34,074</u>	<u>\$ 17,117</u>	<u>\$ 14,791</u>	<u>\$ 1,029</u>	<u>\$ 1,137</u>

COUNTY OF VENTURA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2005
(In Thousands)

	Total Non-Major Governmental Funds	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	George D. Lyon Permanent Fund
Revenues:					
Taxes	\$ 8,176	\$ 7,726	\$ 450	\$ -	\$ -
Fines, forfeitures, and penalties	7	7	-	-	-
Revenues from use of money and property	988	499	355	107	27
Aid from other governmental units	34,808	34,649	13	146	-
Charges for current services	1,166	1,166	-	-	-
Other	25,416	4,461	20,944	-	11
Total revenues	<u>70,561</u>	<u>48,508</u>	<u>21,762</u>	<u>253</u>	<u>38</u>
Expenditures:					
Current:					
General government	100	-	100	-	-
Public protection	22,925	22,925	-	-	-
Public ways and facilities	254	254	-	-	-
Public assistance	15,256	15,256	-	-	-
Education	9,159	9,159	-	-	-
Capital outlay	3,229	135	-	3,094	-
Debt service:					
Principal retirement	28,107	28	28,079	-	-
Interest and fiscal charges	7,634	10	7,624	-	-
Total expenditures	<u>86,664</u>	<u>47,767</u>	<u>35,803</u>	<u>3,094</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(16,103)</u>	<u>741</u>	<u>(14,041)</u>	<u>(2,841)</u>	<u>38</u>
Other financing sources (uses):					
Proceeds from long-term debt	4,423	-	-	4,423	-
Transfers in	16,009	1,220	12,527	2,262	-
Transfers out	<u>(5,129)</u>	<u>(1,820)</u>	<u>(309)</u>	<u>(2,976)</u>	<u>(24)</u>
Total other financing sources (uses)	<u>15,303</u>	<u>(600)</u>	<u>12,218</u>	<u>3,709</u>	<u>(24)</u>
Net change in fund balances	<u>(800)</u>	<u>141</u>	<u>(1,823)</u>	<u>868</u>	<u>14</u>
Fund balances - beginning	28,007	11,848	16,590	(1,554)	1,123
Changes in reserve for inventory	<u>16</u>	<u>16</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances (deficit) - ending	<u>\$ 27,223</u>	<u>\$ 12,005</u>	<u>\$ 14,767</u>	<u>\$ (686)</u>	<u>\$ 1,137</u>

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NON-MAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

Special revenue funds are used to account for revenues that are restricted by law or administrative action to expenditures for specified purposes. Non-major special revenue funds used by the County are listed below:

COUNTY LIBRARY

This fund accounts for the provision of library services in fifteen branches throughout the County, except in the City of Oxnard, City of Thousand Oaks, and Santa Paula School District, which provide their own library facilities. Support is derived principally from property taxes and includes donations from citizens groups and cities.

H.U.D. GRANTS

This fund is primarily used to account for federal grants from the Department of Housing and Urban Development for development of low and moderate income housing, rehabilitation and improvements of public facilities, and meeting conditions which pose a serious and immediate threat to health and welfare in the County.

LOAN

This fund is primarily used to account for federal and state funds from the Department of Commerce Economic Development Administration to provide assistance to entities that were impacted by the Northridge earthquake disaster and downsizing of the defense industry.

FISH AND GAME

This fund was established to receive the County's share of fines levied for violations of fish and game laws within its boundaries. Expenditures are made from time to time for purposes of improving the habitat for wildlife propagation and for incidental administrative matters.

DOMESTIC VIOLENCE PROGRAM

This program was established to provide services to victims of domestic violence and their children in accordance with state statute and to explore and determine ways of reducing incidences of domestic violence. The program is funded by a special surcharge levied on the issuance of all marriage licenses.

ENVIRONMENTAL AND ENERGY RESOURCES DEPARTMENT

Management for this fund (formerly the Solid Waste Fund) is responsible for the development and administration of local and countywide plans and the enforcement of County ordinances relative to solid waste matters. Funding is derived from aid from other government units, licenses, permits and franchises, and charges for services.

COUNTY SERVICE AREAS

County Service Areas account for lighting, street and road maintenance, ambulance service, recreation, and wastewater treatment facilities in specific geographic areas. Support is derived principally from property taxes and service charges in each service area.

(Continued)

NON-MAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS (Continued)

WORKFORCE DEVELOPMENT

This fund accounts for the provision of services to the public and private sectors, including the planning, operation, administration, and management of job training programs pursuant to the Job Training Partnership Act, the Job Training Reform Amendments of 1992, regulations of the U.S. Department of Labor, Family Economic Security Act, and the directions of the Governor of the State of California.

SPAY/NEUTER PROGRAM

This fund is used to account for the spay/neuter subvention program. The program provides Ventura County animal owners with financial assistance, using a voucher system, for altering dogs. The program is funded by forfeited spay/neuter deposit monies and animal license fees.

INMATE WELFARE

This fund was established pursuant to Section 4025 of the California Penal Code for the benefit, education, and welfare of inmates confined to County jail. It is funded by proceeds from the jail canteen, jail commissary, vocational programs, and telephone commissions.

REDEVELOPMENT AGENCY PIRU PROJECT

This fund was established to provide administrative, fiscal and other support services to the capital project, debt service and low and moderate housing funds of the Redevelopment Agency – Piru Project. Funding is provided by grants, unrestricted interest earnings and tax increment revenue for the low-moderate income housing set-aside.

IN-HOME SUPPORTIVE SERVICES PUBLIC AUTHORITY

The Ventura County In-Home Supportive Services Public Authority (Public Authority) was established on July 23, 2002 to provide an employer of record for in-home supportive service providers, as required by Welfare and Institutions Code Section 12302.25. Federal, State, County, and realignment funds support the activities of the Public Authority.

DEPARTMENT OF CHILD SUPPORT SERVICES

This fund was established in July 2002, pursuant to Family Code Section 17304 which required the transfer of local child support programs from the District Attorney's Office to a newly created County department under the oversight of the State. Services, which include location, establishment and enforcement of orders for child and medical support, and paternity determination, are funded by federal and state reimbursements.

COUNTY OF VENTURA
 COMBINING BALANCE SHEET
 NON-MAJOR SPECIAL REVENUE FUNDS
 JUNE 30, 2005
 (In Thousands)

	Total	County Library Fund	H. U. D. Grants Fund	Loan Fund
<u>ASSETS</u>				
Cash and investments	\$ 12,760	\$ 5,869	\$ 2	\$ 918
Receivables, net	3,101	138	2	4
Due from other funds	398	93	-	1
Inventories and other assets	33	-	-	-
Loans receivable	825	-	65	760
Total assets	<u>\$ 17,117</u>	<u>\$ 6,100</u>	<u>\$ 69</u>	<u>\$ 1,683</u>
<u>LIABILITIES</u>				
Accounts payable	\$ 1,087	\$ 62	\$ -	\$ 1
Accrued liabilities	1,848	184	-	-
Due to other funds	2,111	90	-	-
Unearned revenue	66	16	4	-
Total liabilities	<u>5,112</u>	<u>352</u>	<u>4</u>	<u>1</u>
<u>FUND BALANCES</u>				
Reserved	1,056	147	65	760
Unreserved, designated	3,160	301	-	-
Unreserved, undesignated reported in				
Special revenue funds	7,789	5,300	-	922
Total fund balances	<u>12,005</u>	<u>5,748</u>	<u>65</u>	<u>1,682</u>
Total liabilities and fund balances	<u>\$ 17,117</u>	<u>\$ 6,100</u>	<u>\$ 69</u>	<u>\$ 1,683</u>

COUNTY OF VENTURA
COMBINING BALANCE SHEET
NON-MAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2005
(In Thousands)

Fish and Game Fund	Domestic Violence Program Fund	Environmental and Energy Resources	County Service Areas	Workforce Development Fund	
\$ 113	\$ 110	\$ -	\$ 2,265	\$ 12	ASSETS
1	17	-	21	685	Cash and investments
-	-	-	27	-	Receivables, net
-	-	-	-	-	Due from other funds
-	-	-	-	-	Inventories and other assets
-	-	-	-	-	Loans receivable
<u>\$ 114</u>	<u>\$ 127</u>	<u>\$ -</u>	<u>\$ 2,313</u>	<u>\$ 697</u>	Total assets
					LIABILITIES
\$ -	\$ 23	\$ -	\$ 133	\$ 556	Accounts payable
-	-	-	177	96	Accrued liabilities
-	-	-	19	45	Due to other funds
-	-	-	46	-	Unearned revenue
<u>-</u>	<u>23</u>	<u>-</u>	<u>375</u>	<u>697</u>	Total liabilities
					FUND BALANCES
-	-	-	23	-	Reserved
6	46	-	1,219	-	Unreserved, designated
108	58	-	696	-	Unreserved, undesignated reported in
<u>114</u>	<u>104</u>	<u>-</u>	<u>1,938</u>	<u>-</u>	Special revenue funds
					Total fund balances
<u>\$ 114</u>	<u>\$ 127</u>	<u>\$ -</u>	<u>\$ 2,313</u>	<u>\$ 697</u>	Total liabilities and fund balances

(Continued)

COUNTY OF VENTURA
COMBINING BALANCE SHEET
NON-MAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2005
(In Thousands)
(Continued)

	Spay/Neuter Program	Inmate Welfare Fund	Redevelopment Agency Piru Project	Public Authority	Child Support Services
ASSETS					
Cash and investments	\$ 68	\$ 1,652	\$ 518	\$ 215	\$ 1,018
Receivables, net	-	103	2	1,131	997
Due from other funds	-	141	26	103	7
Inventories and other assets	-	29	-	-	4
Loans receivable	-	-	-	-	-
Total assets	<u>\$ 68</u>	<u>\$ 1,925</u>	<u>\$ 546</u>	<u>\$ 1,449</u>	<u>\$ 2,026</u>
LIABILITIES					
Accounts payable	\$ -	\$ 82	\$ 23	\$ 202	\$ 5
Accrued liabilities	-	25	-	16	1,350
Due to other funds	-	52	46	1,231	628
Unearned revenue	-	-	-	-	-
Total liabilities	<u>-</u>	<u>159</u>	<u>69</u>	<u>1,449</u>	<u>1,983</u>
FUND BALANCES					
Reserved	-	57	-	-	4
Unreserved, designated	42	1,142	404	-	-
Unreserved, undesignated reported in					
Special revenue funds	<u>26</u>	<u>567</u>	<u>73</u>	<u>-</u>	<u>39</u>
Total fund balances	<u>68</u>	<u>1,766</u>	<u>477</u>	<u>-</u>	<u>43</u>
Total liabilities and fund balances	<u>\$ 68</u>	<u>\$ 1,925</u>	<u>\$ 546</u>	<u>\$ 1,449</u>	<u>\$ 2,026</u>

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COUNTY OF VENTURA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NON-MAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2005
(In Thousands)

	Total	County Library Fund	H. U. D. Grants Fund	Loan Fund
Revenues:				
Taxes	\$ 7,726	\$ 7,002	\$ -	\$ -
Fines, forfeitures, and penalties	7	2	-	-
Revenues from use of money and property	499	149	-	62
Aid from other governmental units	34,649	882	4,082	-
Charges for services	1,166	273	-	-
Other	4,461	1,726	-	-
Total revenues	<u>48,508</u>	<u>10,034</u>	<u>4,082</u>	<u>62</u>
Expenditures:				
Current:				
Public protection	22,925	-	-	-
Public ways and facilities	254	-	-	-
Public assistance	15,256	-	4,147	46
Education	9,159	9,159	-	-
Capital outlay	135	98	-	-
Debt service:				
Principal retirement	28	-	-	-
Interest and fiscal charges	10	-	-	-
Total expenditures	<u>47,767</u>	<u>9,257</u>	<u>4,147</u>	<u>46</u>
Excess (deficiency) of revenues over (under) expenditures	<u>741</u>	<u>777</u>	<u>(65)</u>	<u>16</u>
Other financing sources (uses):				
Transfers in	1,220	555	-	-
Transfers out	(1,820)	-	-	-
Total other financing sources (uses)	<u>(600)</u>	<u>555</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>141</u>	<u>1,332</u>	<u>(65)</u>	<u>16</u>
Fund balances - beginning	11,848	4,416	130	1,666
Changes in reserve for inventory	<u>16</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances - ending	<u>\$ 12,005</u>	<u>\$ 5,748</u>	<u>\$ 65</u>	<u>\$ 1,682</u>

COUNTY OF VENTURA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NON-MAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2005
(In Thousands)

Fish and Game Fund	Domestic Violence Program Fund	Environmental and Energy Resources	County Service Areas	Workforce Development Fund	
\$ -	\$ -	\$ -	\$ 724	\$ -	Revenues:
-	-	-	5	-	Taxes
2	2	24	80	5	Fines, forfeitures, and penalties
-	-	-	11	6,467	Revenues from use of money and property
130	-	36	724	-	Aid from other governmental units
-	171	-	-	28	Charges for services
132	173	60	1,544	6,500	Other
					Total revenues
					Expenditures:
3	-	109	1,377	-	Current:
-	-	-	-	-	Public protection
-	136	-	-	6,500	Public ways and facilities
-	-	-	-	-	Public assistance
-	-	-	-	-	Education
-	-	-	-	-	Capital outlay
-	-	-	28	-	Debt service:
-	-	-	10	-	Principal retirement
3	136	109	1,415	6,500	Interest and fiscal charges
					Total expenditures
129	37	(49)	129	-	Excess (deficiency) of revenues over (under) expenditures
-	-	-	-	-	Other financing sources (uses):
(65)	-	(1,371)	-	-	Transfers in
(65)	-	(1,371)	-	-	Transfers out
					Total other financing sources (uses)
64	37	(1,420)	129	-	Net change in fund balances
50	67	1,420	1,809	-	Fund balances - beginning
-	-	-	-	-	Changes in reserve for inventory
\$ 114	\$ 104	\$ -	\$ 1,938	\$ -	Fund balances - ending

(Continued)

COUNTY OF VENTURA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NON-MAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2005
(In Thousands)
(Continued)

	Spay/Neuter Program	Inmate Welfare Fund	Redevelopment Agency Piru Project	Public Authority	Child Support Services
Revenues:					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Fines, forfeitures, and penalties	-	-	-	-	-
Revenues from use of money and property	2	59	25	17	72
Aid from other governmental units	-	-	-	4,008	19,199
Charges for services	3	-	-	-	-
Other	-	2,536	-	-	-
Total revenues	<u>5</u>	<u>2,595</u>	<u>25</u>	<u>4,025</u>	<u>19,271</u>
Expenditures:					
Current:					
Public protection	8	2,165	-	-	19,263
Public ways and facilities	-	-	254	-	-
Public assistance	-	-	-	4,427	-
Education	-	-	-	-	-
Capital outlay	-	-	-	-	37
Debt service:					
Principal retirement	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Total expenditures	<u>8</u>	<u>2,165</u>	<u>254</u>	<u>4,427</u>	<u>19,300</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(3)</u>	<u>430</u>	<u>(229)</u>	<u>(402)</u>	<u>(29)</u>
Other financing sources (uses):					
Transfers in	-	-	263	402	-
Transfers out	-	(384)	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>(384)</u>	<u>263</u>	<u>402</u>	<u>-</u>
Net change in fund balances	<u>(3)</u>	<u>46</u>	<u>34</u>	<u>-</u>	<u>(29)</u>
Fund balances - beginning	71	1,704	443	-	72
Changes in reserve for inventory	-	16	-	-	-
Fund balances - ending	<u>\$ 68</u>	<u>\$ 1,766</u>	<u>\$ 477</u>	<u>\$ -</u>	<u>\$ 43</u>

COUNTY OF VENTURA
BUDGETARY COMPARISON SCHEDULE
NON-MAJOR SPECIAL REVENUE FUNDS
COUNTY LIBRARY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2005
(In Thousands)

	COUNTY LIBRARY			Variance with
	Original Budget	Final Budget	Actual Amount	Final Budget Positive (Negative)
Resources (inflows):				
Taxes	\$ 6,326	\$ 6,606	\$ 7,002	\$ 396
Fines, forfeitures and penalties	-	-	2	2
Revenue from use of money and property	97	96	138	42
Aid from other governmental units	1,137	802	882	80
Charges for services	255	255	273	18
Other	368	525	637	112
Amount available for appropriation	<u>8,183</u>	<u>8,284</u>	<u>8,934</u>	<u>650</u>
Charges to appropriations (outflows):				
Education:				
Salaries and benefits	5,001	5,382	5,276	106
Services and supplies	3,174	5,190	3,759	1,431
Other charges	124	124	124	-
Contingencies	202	202	-	202
Total education	<u>8,501</u>	<u>10,898</u>	<u>9,159</u>	<u>1,739</u>
Capital outlay	476	667	98	569
Debt service:				
Interest and fiscal charges	8	8	-	8
Total charges to appropriation	<u>8,985</u>	<u>11,573</u>	<u>9,257</u>	<u>2,316</u>
Deficiency of revenues over (under) expenditures	<u>(802)</u>	<u>(3,289)</u>	<u>(323)</u>	<u>2,966</u>
Other financing sources (uses):				
Transfer in	17	555	555	-
Total financing sources (uses)	<u>17</u>	<u>555</u>	<u>555</u>	<u>-</u>
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses	(785)	(2,734)	232	2,966
Fund balances - beginning	<u>4,416</u>	<u>4,416</u>	<u>4,416</u>	<u>-</u>
Fund balances - ending	<u>\$ 3,631</u>	<u>\$ 1,682</u>	<u>\$ 4,648</u>	<u>\$ 2,966</u>

COUNTY OF VENTURA
BUDGETARY COMPARISON SCHEDULE
NON-MAJOR SPECIAL REVENUE FUNDS
H. U. D. GRANTS FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2005
(In Thousands)

	HOUSING AND URBAN DEVELOPMENT GRANTS			
	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
Resources (inflows):				
Aid from other governmental units	\$ 4,149	\$ 10,016	\$ 4,082	\$ (5,934)
Amount available for appropriation	4,149	10,016	4,082	(5,934)
Charges to appropriations (outflows):				
Public assistance:				
Services and supplies	4,149	10,016	4,147	5,869
Total public assistance	4,149	10,016	4,147	5,869
Total charges to appropriation	4,149	10,016	4,147	5,869
Deficiency of revenues over (under) expenditures	-	-	(65)	(65)
Deficiency of revenues and other sources over (under) expenditures and other uses	-	-	(65)	(65)
Fund balances - beginning	130	130	130	-
Fund balances - ending	\$ 130	\$ 130	\$ 65	\$ (65)

COUNTY OF VENTURA
BUDGETARY COMPARISON SCHEDULE
NON-MAJOR SPECIAL REVENUE FUNDS
LOAN FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2005
(In Thousands)

	LOAN FUND			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual Amount	
Resources (inflows):				
Revenue from use of money and property	\$ 64	\$ 64	\$ 61	\$ (3)
Aid from other governmental units	381	381	-	(381)
Other	74	74	-	(74)
Amount available for appropriation	<u>519</u>	<u>519</u>	<u>61</u>	<u>(458)</u>
Charges to appropriations (outflows):				
Public assistance:				
Services and supplies	128	128	46	82
Contingencies	103	103	-	103
Total public assistance	<u>231</u>	<u>231</u>	<u>46</u>	<u>185</u>
Total charges to appropriation	<u>231</u>	<u>231</u>	<u>46</u>	<u>185</u>
Excess of revenues over (under) expenditures	<u>288</u>	<u>288</u>	<u>15</u>	<u>(273)</u>
Other financing sources (uses):				
Loans advanced	<u>(1,122)</u>	<u>(1,122)</u>	<u>-</u>	<u>1,122</u>
Total financing sources (uses)	<u>(1,122)</u>	<u>(1,122)</u>	<u>-</u>	<u>1,122</u>
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses	<u>(834)</u>	<u>(834)</u>	<u>15</u>	<u>849</u>
Fund balances - beginning	<u>1,666</u>	<u>1,666</u>	<u>1,666</u>	<u>-</u>
Fund balances - ending	<u>\$ 832</u>	<u>\$ 832</u>	<u>\$ 1,681</u>	<u>\$ 849</u>

COUNTY OF VENTURA
BUDGETARY COMPARISON SCHEDULE
NON-MAJOR SPECIAL REVENUE FUNDS
FISH AND GAME FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2005
(In Thousands)

	FISH AND GAME			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual Amount	
Resources (inflows):				
Revenue from use of money and property	\$ 2	\$ 2	\$ 2	\$ -
Charges for services	25	25	130	105
Amount available for appropriation	27	27	132	105
Charges to appropriations (outflows):				
Public protection:				
Services and supplies	1	1	1	-
Other charges	5	5	2	3
Total public protection	6	6	3	3
Total charges to appropriation	6	6	3	3
Excess of revenues over (under) expenditures	21	21	129	108
Other financing sources (uses):				
Transfer out	(65)	(65)	(65)	-
Total financing sources (uses)	(65)	(65)	(65)	-
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses	(44)	(44)	64	108
Fund balances - beginning	50	50	50	-
Fund balances - ending	\$ 6	\$ 6	\$ 114	\$ 108

COUNTY OF VENTURA
BUDGETARY COMPARISON SCHEDULE
NON-MAJOR SPECIAL REVENUE FUNDS
DOMESTIC VIOLENCE PROGRAM FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2005
(In Thousands)

	DOMESTIC VIOLENCE PROGRAM			
	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
Resources (inflows):				
Revenue from use of money and property	\$ 1	\$ 1	\$ 2	\$ 1
Other	135	135	171	36
Amount available for appropriation	136	136	173	37
Charges to appropriations (outflows):				
Public assistance:				
Services and supplies	136	136	136	-
Contingencies	20	20	-	20
Total public assistance	156	156	136	20
Total charges to appropriation	156	156	136	20
Excess (deficiency) of revenues over (under) expenditures	(20)	(20)	37	57
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses	(20)	(20)	37	57
Fund balances - beginning	67	67	67	-
Fund balances - ending	\$ 47	\$ 47	\$ 104	\$ 57

COUNTY OF VENTURA
BUDGETARY COMPARISON SCHEDULE
NON-MAJOR SPECIAL REVENUE FUNDS
ENVIRONMENTAL AND ENERGY RESOURCES DEPARTMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2005
(In Thousands)

ENVIRONMENTAL AND ENERGY RESOURCES				Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual Amount	
Resources (inflows):				
Revenue from use of money and property	\$ -	\$ 33	\$ 19	\$ (14)
Aid from other governmental units	-	13	18	5
Charges for services	-	38	36	(2)
Amount available for appropriation	-	84	73	(11)
Charges to appropriations (outflows):				
Public protection:				
Contingencies	130	-	-	-
Total public protection	130	-	-	-
Total charges to appropriation	130	-	-	-
Excess (deficiency) of revenues over (under) expenditures	(130)	84	73	(11)
Other financing sources (uses):				
Transfer out	(869)	(1,382)	(1,371)	11
Total financing sources (uses)	(869)	(1,382)	(1,371)	11
Deficiency of revenues and other sources over (under) expenditures and other uses	(999)	(1,298)	(1,298)	-
Fund balances - beginning	1,420	1,420	1,420	-
Fund balances - ending	\$ 421	\$ 122	\$ 122	\$ -

COUNTY OF VENTURA
BUDGETARY COMPARISON SCHEDULE
NON-MAJOR SPECIAL REVENUE FUNDS
COUNTY SERVICE AREAS
FOR THE FISCAL YEAR ENDED JUNE 30, 2005
(In Thousands)

	COUNTY SERVICE AREAS			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual Amount	
Resources (inflows):				
Taxes	\$ 719	\$ 719	\$ 724	\$ 5
Fines, forfeitures and penalties	1	1	5	4
Revenue from use of money and property	53	53	77	24
Aid from other governmental units	11	11	11	-
Charges for services	728	728	724	(4)
Other	-	-	-	-
Amount available for appropriation	<u>1,512</u>	<u>1,512</u>	<u>1,541</u>	<u>29</u>
Charges to appropriations (outflows):				
Public protection:				
Services and supplies	1,617	1,791	1,374	417
Contingencies	<u>263</u>	<u>155</u>	<u>-</u>	<u>155</u>
Total public protection	<u>1,880</u>	<u>1,946</u>	<u>1,374</u>	<u>572</u>
Capital outlay	100	100	-	100
Debt service:				
Principal retirement	28	28	28	-
Interest and fiscal charges	<u>10</u>	<u>10</u>	<u>10</u>	<u>-</u>
Total charges to appropriation	<u>2,018</u>	<u>2,084</u>	<u>1,412</u>	<u>672</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(506)</u>	<u>(572)</u>	<u>129</u>	<u>701</u>
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses	<u>(506)</u>	<u>(572)</u>	<u>129</u>	<u>701</u>
Fund balances - beginning	<u>1,809</u>	<u>1,809</u>	<u>1,809</u>	<u>-</u>
Fund balances - ending	<u>\$ 1,303</u>	<u>\$ 1,237</u>	<u>\$ 1,938</u>	<u>\$ 701</u>

COUNTY OF VENTURA
BUDGETARY COMPARISON SCHEDULE
NON-MAJOR SPECIAL REVENUE FUNDS
WORKFORCE DEVELOPMENT FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2005
(In Thousands)

	WORKFORCE DEVELOPMENT FUND			
	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
Resources (inflows):				
Revenue from use of money and property	\$ -	\$ -	\$ 5	\$ 5
Aid from other governmental units	7,610	8,441	6,467	(1,974)
Charges for services	-	-	28	28
Amount available for appropriation	<u>7,610</u>	<u>8,441</u>	<u>6,500</u>	<u>(1,941)</u>
Charges to appropriations (outflows):				
Public assistance:				
Salaries and benefits	3,567	3,224	3,064	160
Services and supplies	4,043	5,192	3,436	1,756
Contingencies	-	25	-	25
Total public assistance	<u>7,610</u>	<u>8,441</u>	<u>6,500</u>	<u>1,941</u>
Total charges to appropriation	<u>7,610</u>	<u>8,441</u>	<u>6,500</u>	<u>1,941</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses	-	-	-	-
Fund balances - beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

COUNTY OF VENTURA
BUDGETARY COMPARISON SCHEDULE
NON-MAJOR SPECIAL REVENUE FUNDS
SPAY/NEUTER PROGRAM
FOR THE FISCAL YEAR ENDED JUNE 30, 2005
(In Thousands)

SPAY/NEUTER PROGRAM				Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual Amount	
Resources (inflows):				
Revenue from use of money and property	\$ -	\$ -	\$ 1	\$ 1
Charges for services	-	-	3	3
Amount available for appropriation	-	-	4	4
Charges to appropriations (outflows):				
Public protection:				
Services and supplies	25	25	8	17
Contingencies	4	4	-	4
Total public protection	29	29	8	21
Total charges to appropriation	29	29	8	21
Deficiency of revenues over (under) expenditures	(29)	(29)	(4)	25
Deficiency of revenues and other sources over (under) expenditures and other uses	(29)	(29)	(4)	25
Fund balances - beginning	71	71	71	-
Fund balances - ending	\$ 42	\$ 42	\$ 67	\$ 25

COUNTY OF VENTURA
BUDGETARY COMPARISON SCHEDULE
NON-MAJOR SPECIAL REVENUE FUNDS
INMATE WELFARE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2005
(In Thousands)

	INMATE WELFARE			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual Amount	
Resources (inflows):				
Revenue from use of money and property	\$ 35	\$ 35	\$ 56	\$ 21
Other	2,483	2,603	2,536	(67)
Amount available for appropriation	2,518	2,638	2,592	(46)
Charges to appropriations (outflows):				
Public protection:				
Salaries and benefits	1,241	1,250	951	299
Services and supplies	1,379	1,490	1,214	276
Total public protection	2,620	2,740	2,165	575
Capital outlay	50	50	-	50
Total charges to appropriation	2,670	2,790	2,165	625
Excess (deficiency) of revenues over (under) expenditures	(152)	(152)	427	579
Other financing sources (uses):				
Transfer out	(388)	(388)	(384)	4
Total financing sources (uses)	(388)	(388)	(384)	4
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses	(540)	(540)	43	583
Fund balances - beginning	1,704	1,704	1,704	-
Fund balances - ending	\$ 1,164	\$ 1,164	\$ 1,747	\$ 583

COUNTY OF VENTURA
BUDGETARY COMPARISON SCHEDULE
NON-MAJOR SPECIAL REVENUE FUNDS
REDEVELOPMENT AGENCY PIRU PROJECT
FOR THE FISCAL YEAR ENDED JUNE 30, 2005
(In Thousands)

REDEVELOPMENT AGENCY PIRU PROJECT				Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual Amount	
Resources (inflows):				
Revenue from use of money and property	\$ 19	\$ 19	\$ 25	\$ 6
Amount available for appropriation	19	19	25	6
Charges to appropriations (outflows):				
Public ways and facilities:				
Services and supplies	628	679	254	425
Contingencies	39	25	-	25
Total public ways and facilities	667	704	254	450
Total charges to appropriation	667	704	254	450
Deficiency of revenues over (under) expenditures	(648)	(685)	(229)	456
Other financing sources (uses):				
Transfer in	224	250	263	13
Transfer out	(10)	(10)	-	10
Total financing sources (uses)	214	240	263	23
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses	(434)	(445)	34	479
Fund balances - beginning	443	443	443	-
Fund balances - ending	\$ 9	\$ (2)	\$ 477	\$ 479

COUNTY OF VENTURA
BUDGETARY COMPARISON SCHEDULE
NON-MAJOR SPECIAL REVENUE FUNDS
IN-HOME SUPPORTIVE SERVICES PUBLIC AUTHORITY
FOR THE FISCAL YEAR ENDED JUNE 30, 2005
(In Thousands)

	IN-HOME SUPPORTIVE SERVICES PUBLIC AUTHORITY			
	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
Resources (inflows):				
Revenue from use of money and property	\$ -	\$ -	\$ 15	\$ 15
Aid from other governmental units	2,377	4,092	4,008	(84)
Amount available for appropriation	<u>2,377</u>	<u>4,092</u>	<u>4,023</u>	<u>(69)</u>
Charges to appropriations (outflows):				
Public assistance:				
Salaries and benefits	570	570	539	31
Services and supplies	211	211	75	136
Other charges	<u>4,510</u>	<u>5,510</u>	<u>3,813</u>	<u>1,697</u>
Total public assistance	<u>5,291</u>	<u>6,291</u>	<u>4,427</u>	<u>1,864</u>
Total charges to appropriation	<u>5,291</u>	<u>6,291</u>	<u>4,427</u>	<u>1,864</u>
Deficiency of revenues over (under) expenditures	<u>(2,914)</u>	<u>(2,199)</u>	<u>(404)</u>	<u>1,795</u>
Other financing sources (uses):				
Transfer in	<u>2,903</u>	<u>2,188</u>	<u>402</u>	<u>(1,786)</u>
Total financing sources (uses)	<u>2,903</u>	<u>2,188</u>	<u>402</u>	<u>(1,786)</u>
Deficiency of revenues and other sources over (under) expenditures and other uses	<u>(11)</u>	<u>(11)</u>	<u>(2)</u>	<u>9</u>
Fund balances - beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances - ending	<u>\$ (11)</u>	<u>\$ (11)</u>	<u>\$ (2)</u>	<u>\$ 9</u>

COUNTY OF VENTURA
BUDGETARY COMPARISON SCHEDULE
NON-MAJOR SPECIAL REVENUE FUNDS
DEPARTMENT OF CHILD SUPPORT SERVICES
FOR THE FISCAL YEAR ENDED JUNE 30, 2005
(In Thousands)

	CHILD SUPPORT SERVICES			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual Amount	
Resources (inflows):				
Revenue from use of money and property	\$ 60	\$ 60	\$ 70	\$ 10
Aid from other governmental units	21,075	21,075	19,199	(1,876)
Amount available for appropriation	21,135	21,135	19,269	(1,866)
Charges to appropriations (outflows):				
Public protection:				
Salaries and benefits	17,558	17,533	16,419	1,114
Services and supplies	3,481	3,481	2,819	662
Other charges	80	80	1	79
Total public protection	21,119	21,094	19,239	1,855
Capital outlay	16	41	37	4
Total charges to appropriation	21,135	21,135	19,276	1,859
Deficiency of revenues over (under) expenditures	-	-	(7)	(7)
Deficiency of revenues and other sources over (under) expenditures and other uses	-	-	(7)	(7)
Fund balances - beginning	72	72	72	-
Fund balances - ending	\$ 72	\$ 72	\$ 65	\$ (7)

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NON-MAJOR GOVERNMENTAL FUNDS

DEBT SERVICE FUNDS

Debt service funds are used to account for the accumulation of resources for, and the payment of, general long-term debt. A more detailed description of each fund is listed below:

PUBLIC FACILITIES CORPORATION

This fund is used to accumulate resources for the payment of principal and interest on the Certificates of Participation issues related to the purchase of equipment and the construction of County capital project improvements. This fund receives transfers primarily from the General Fund based on lease-purchase agreements.

PUBLIC FINANCING AUTHORITY

This fund accounts for debt proceeds which were used to pay, refund and retire Public Facilities Corporation (PFC) lease revenue bonds under PFC I and Certificates of Participation under PFC III. This fund is also used to finance a portion of various other capital projects and pay costs incurred in connection with the issuance, sale and delivery of the Tax Exempt Commercial Paper Notes and the 2001 Certificates of Participation which advance refunded PFC IV and the 2003 Certificates of Participation (PFAII) which purchased the Gonzales Road Building and is financing the Juvenile Justice Complex Court Facility. This fund is also used to accumulate resources for the payment of principal and interest on the issues. This fund receives transfers primarily from the General Fund based on lease-purchase agreements.

REDEVELOPMENT AGENCY PIRU PROJECT

This fund is used to accumulate resources for the payment of principal related to the activities of the Redevelopment Agency Piru Project. The plan's purpose is to respond to damage caused by the 1994 Northridge earthquake to Piru's town center and public infrastructure through a project of community reinvestment. Funding is derived solely from property taxes calculated in adherence with Health and Safety Code Section 33670.

WATERSHED PROTECTION DISTRICTS

This fund is used to accumulate resources for the payment of principal and interest on the general obligation bonds issued by the Watershed Protection Districts. Revenues are received primarily through ad valorem taxes on property.

PENSION OBLIGATION BONDS

The bonds were issued to provide funds to allow the County to fund its unfunded actuarial liability at December 1, 1995 with respect to VCERA retirement benefits for County employees.

COUNTY OF VENTURA
COMBINING BALANCE SHEET
NON-MAJOR DEBT SERVICE FUNDS
JUNE 30, 2005
(In Thousands)

	<u>Total</u>	<u>Public Facilities Corporation</u>	<u>Public Financing Authority</u>
<u>ASSETS</u>			
Cash and investments	\$ 14,044	\$ 55	\$ 13,281
Receivables, net	97	4	90
Due from other funds	590	-	590
Advances to other funds	60	-	-
Total assets	<u>\$ 14,791</u>	<u>\$ 59</u>	<u>\$ 13,961</u>
<u>LIABILITIES</u>			
Due to other funds	<u>\$ 24</u>	<u>\$ -</u>	<u>\$ -</u>
Total liabilities	<u>24</u>	<u>-</u>	<u>-</u>
<u>FUND BALANCES</u>			
Reserved	<u>14,767</u>	<u>59</u>	<u>13,961</u>
Total fund balances	<u>14,767</u>	<u>59</u>	<u>13,961</u>
Total liabilities and fund balances	<u>\$ 14,791</u>	<u>\$ 59</u>	<u>\$ 13,961</u>

COUNTY OF VENTURA
COMBINING BALANCE SHEET
NON-MAJOR DEBT SERVICE FUNDS
JUNE 30, 2005
(In Thousands)

Redevelopment Agency Piru Project	Watershed Protection Districts	Pension Obligation Bonds	
<u>\$ 248</u>	<u>\$ 20</u>	<u>\$ 440</u>	ASSETS
2	-	1	Cash and investments
-	-	-	Receivables, net
60	-	-	Due from other funds
<u>\$ 310</u>	<u>\$ 20</u>	<u>\$ 441</u>	Advances to other funds
			Total assets
<u>\$ 24</u>	<u>\$ -</u>	<u>\$ -</u>	LIABILITIES
24	-	-	Due to other funds
			Total liabilities
<u>286</u>	<u>20</u>	<u>441</u>	FUND BALANCES
<u>286</u>	<u>20</u>	<u>441</u>	Reserved
			Total fund balances
<u>\$ 310</u>	<u>\$ 20</u>	<u>\$ 441</u>	Total liabilities and fund balances

COUNTY OF VENTURA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NON-MAJOR DEBT SERVICE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2005
(In Thousands)

	<u>Total</u>	<u>Public Facilities Corporation</u>	<u>Public Financing Authority</u>
Revenues:			
Taxes	\$ 450	\$ -	\$ -
Revenues from use of money and property	355	26	270
Aid from other governmental units	13	-	-
Other	20,944	-	-
Total revenues	<u>21,762</u>	<u>26</u>	<u>270</u>
Expenditures:			
Current:			
General government	100	-	-
Debt service:			
Principal retirement	28,079	195	9,812
Interest and fiscal charges	7,624	96	3,262
Total expenditures	<u>35,803</u>	<u>291</u>	<u>13,074</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(14,041)</u>	<u>(265)</u>	<u>(12,804)</u>
Other financing sources (uses):			
Transfers in	12,527	291	12,236
Transfers out	(309)	-	(46)
Total other financing sources (uses)	<u>12,218</u>	<u>291</u>	<u>12,190</u>
Net change in fund balances	(1,823)	26	(614)
Fund balances - beginning	<u>16,590</u>	<u>33</u>	<u>14,575</u>
Fund balances - ending	<u><u>\$ 14,767</u></u>	<u><u>\$ 59</u></u>	<u><u>\$ 13,961</u></u>

COUNTY OF VENTURA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NON-MAJOR DEBT SERVICE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2005
(In Thousands)

Redevelopment Agency Piru Project	Watershed Protection Districts	Pension Obligation Bonds	
\$ 440	\$ 10	\$ -	Revenues:
7	1	51	Taxes
13	-	-	Revenues from use of money and property
-	-	20,944	Aid from other governmental units
460	11	20,995	Other
			Total revenues
			Expenditures:
			Current:
100	-	-	General government
			Debt service:
102	-	17,970	Principal retirement
32	-	4,234	Interest and fiscal charges
234	-	22,204	Total expenditures
			Excess (deficiency) of revenues over (under) expenditures
226	11	(1,209)	
			Other financing sources (uses):
-	-	-	Transfers in
(263)	-	-	Transfers out
(263)	-	-	Total other financing sources (uses)
(37)	11	(1,209)	Net change in fund balances
323	9	1,650	Fund balances - beginning
\$ 286	\$ 20	\$ 441	Fund balances - ending

COUNTY OF VENTURA
BUDGETARY COMPARISON SCHEDULE
NON-MAJOR DEBT SERVICE FUNDS
REDEVELOPMENT AGENCY PIRU PROJECT
FOR THE FISCAL YEAR ENDED JUNE 30, 2005
(In Thousands)

	REDEVELOPMENT AGENCY PIRU PROJECT			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual Amount	
Resources (inflows):				
Taxes	\$ 373	\$ 441	\$ 440	\$ (1)
Revenue from use of money and property	2	2	7	5
Aid from other governmental units	12	12	13	1
Amount available for appropriation	<u>387</u>	<u>455</u>	<u>460</u>	<u>5</u>
Charges to appropriations (outflows):				
Public ways and facilities:				
Services and supplies	119	132	100	32
Contingencies	<u>40</u>	<u>43</u>	<u>-</u>	<u>43</u>
Total public ways and facilities	<u>159</u>	<u>175</u>	<u>100</u>	<u>75</u>
Debt service:				
Principal retirement	78	78	65	13
Interest and fiscal charges	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total charges to appropriation	<u>237</u>	<u>253</u>	<u>165</u>	<u>88</u>
Excess of revenues over (under) expenditures	<u>150</u>	<u>202</u>	<u>295</u>	<u>93</u>
Other financing sources (uses):				
Transfer out	<u>(336)</u>	<u>(382)</u>	<u>(341)</u>	<u>41</u>
Total financing sources (uses)	<u>(336)</u>	<u>(382)</u>	<u>(341)</u>	<u>41</u>
Deficiency of revenues and other sources over (under) expenditures and other uses	<u>(186)</u>	<u>(180)</u>	<u>(46)</u>	<u>134</u>
Fund balances - beginning	<u>323</u>	<u>323</u>	<u>323</u>	<u>-</u>
Fund balances - ending	<u>\$ 137</u>	<u>\$ 143</u>	<u>\$ 277</u>	<u>\$ 134</u>

COUNTY OF VENTURA
BUDGETARY COMPARISON SCHEDULE
NON-MAJOR DEBT SERVICE FUNDS
WATERSHED PROTECTION DISTRICTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2005
(In Thousands)

WATERSHED PROTECTION DISTRICTS			
	Original Budget	Final Budget	Actual Amount
			Variance with Final Budget Positive (Negative)
Resources (inflows):			
Taxes	\$ -	\$ -	\$ 10
Fines, forfeitures and penalties	-	-	1
Amount available for appropriation	-	-	11
Excess of revenues and other sources over (under) expenditures and other uses	-	-	11
Fund balances - beginning	<u>9</u>	<u>9</u>	<u>9</u>
Fund balances - ending	<u>\$ 9</u>	<u>\$ 9</u>	<u>\$ 20</u>

COUNTY OF VENTURA
BUDGETARY COMPARISON SCHEDULE
NON-MAJOR DEBT SERVICE FUNDS
PENSION OBLIGATION BONDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2005
(In Thousands)

	PENSION OBLIGATION BONDS			
	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
Resources (inflows):				
Revenue from use of money and property	\$ -	\$ -	\$ 44	\$ 44
Other	22,204	22,204	20,944	(1,260)
Amount available for appropriation	22,204	22,204	20,988	(1,216)
Charges to appropriations (outflows):				
General government:				
Contingencies	1,494	1,494	-	1,494
Total general government	1,494	1,494	-	1,494
Debt service:				
Principal retirement	17,970	17,970	17,970	-
Interest and fiscal charges	4,234	4,234	4,234	-
Total charges to appropriation	23,698	23,698	22,204	1,494
Deficiency of revenues over (under) expenditures	(1,494)	(1,494)	(1,216)	278
Deficiency of revenues and other sources over (under) expenditures and other uses	(1,494)	(1,494)	(1,216)	278
Fund balances - beginning	1,650	1,650	1,650	-
Fund balances - ending	\$ 156	\$ 156	\$ 434	\$ 278

NON-MAJOR GOVERNMENTAL FUNDS

CAPITAL PROJECTS FUNDS

Capital projects funds are used to account for financial resources provided by borrowings or contributions and for major capital acquisition and construction activities funded by those resources (other than those financed by proprietary funds and trust funds). Major capital activities are reported in the following funds:

PUBLIC FACILITIES CORPORATION

This fund is used to account for the costs of constructing and acquiring various buildings, facilities, and equipment for the County of Ventura. The cost of these projects is financed by the issuance of Certificates of Participation in 1998 through the Public Facilities Corporation. All planned projects are completed.

PUBLIC FINANCING AUTHORITY

This fund is used to account for the costs of constructing and acquiring various buildings, facilities, and equipment for the County of Ventura and the refunding of Public Facilities Corporation Lease Revenue Bonds issued in 1976 and Certificates of Participation issued in 1987. The cost of various projects is financed by the periodic issuance of Tax Exempt Commercial Paper Notes, which were first issued in 1998 through the Public Financing Authority.

Certificates of Participation were issued in 2001 to advance refund Public Facilities Certificates of Participation issued in 1993, refund equipment lease and acquire equipment and buildings for Ventura County Medical Center, Juvenile Justice Facility and General Services Agency.

Additional Certificates of Participation were issued in 2003 to purchase the Gonzales Road Building and finance the construction of the Juvenile Justice Facility Courthouse.

REDEVELOPMENT AGENCY PIRU PROJECT

This fund is used to account for the financial resources used and costs incurred for the acquisition or construction of major capital facilities as outlined in the Agency's Piru Community Enhancement Plan. The costs of these projects are financed by borrowing, federal grants and unrestricted funds of the Agency.

JUVENILE JUSTICE COMPLEX

This fund is used to account for the initial costs of acquiring land and constructing various buildings, facilities and equipment for a new juvenile detention and commitment complex. The State Board of Corrections approved a \$40.5 million grant for buildings requiring a \$24.9 million match provided by the County for remaining costs. Current fiscal year costs were funded through issuance of 2001 Certificates of Participation under authority of the Public Financing Authority.

JUVENILE JUSTICE COMPLEX COURTHOUSE

This fund is used to account for the construction costs of a 56,200 square foot courthouse on the grounds of the Juvenile Justice Complex. Financing for the project, with an estimated cost of \$15.8 million, was provided through the issuance of certificates of participation by the Public Financing Authority in October 2003. Repayment of the debt will be provided by the Ventura County Superior Courts for the courthouse and the ratable share of land and infrastructure using the Courthouse Construction Fund as allowed by law.

COUNTY OF VENTURA
COMBINING BALANCE SHEET
NON-MAJOR CAPITAL PROJECTS FUNDS
JUNE 30, 2005
(In Thousands)

	Total	Public Facilities Corporation	Public Financing Authority	Redevelopment Agency Piru Project	Juvenile Justice Complex	Juvenile Justice Complex Courthouse
ASSETS						
Cash and investments	\$ 988	\$ 974	\$ -	\$ 14	\$ -	\$ -
Receivables, net	6	-	4	2	-	-
Due from other funds	35	-	-	-	14	21
Total assets	<u>\$ 1,029</u>	<u>\$ 974</u>	<u>\$ 4</u>	<u>\$ 16</u>	<u>\$ 14</u>	<u>\$ 21</u>
LIABILITIES						
Accounts payable	\$ 395	\$ -	\$ 394	\$ -	\$ -	\$ 1
Due to other funds	1,320	-	1,285	1	14	20
Total liabilities	<u>1,715</u>	<u>-</u>	<u>1,679</u>	<u>1</u>	<u>14</u>	<u>21</u>
FUND BALANCES						
Unreserved, undesignated reported in						
Capital projects funds	(686)	974	(1,675)	15	-	-
Total fund balances	<u>(686)</u>	<u>974</u>	<u>(1,675)</u>	<u>15</u>	<u>-</u>	<u>-</u>
Total liabilities and fund balances	<u>\$ 1,029</u>	<u>\$ 974</u>	<u>\$ 4</u>	<u>\$ 16</u>	<u>\$ 14</u>	<u>\$ 21</u>

COUNTY OF VENTURA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NON-MAJOR CAPITAL PROJECTS FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2005
(In Thousands)

	Total	Public Facilities Corporation	Public Financing Authority	Redevelopment Agency Piru Project	Juvenile Justice Complex	Juvenile Justice Complex Courthouse
Revenues:						
Revenues from use of money and property	\$ 107	\$ 10	\$ 97	\$ -	\$ -	\$ -
Aid from other governmental units	146	-	-	21	125	-
Total revenues	<u>253</u>	<u>10</u>	<u>97</u>	<u>21</u>	<u>125</u>	<u>-</u>
Expenditures:						
Current:						
Capital outlay	3,094	-	1,868	21	-	1,205
Total expenditures	<u>3,094</u>	<u>-</u>	<u>1,868</u>	<u>21</u>	<u>-</u>	<u>1,205</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,841)</u>	<u>10</u>	<u>(1,771)</u>	<u>-</u>	<u>125</u>	<u>(1,205)</u>
Other financing sources:						
Proceeds from long-term debt	4,423	-	4,423	-	-	-
Transfers in	2,262	-	465	-	404	1,393
Transfers out	<u>(2,976)</u>	<u>(239)</u>	<u>(2,020)</u>	<u>-</u>	<u>(529)</u>	<u>(188)</u>
Total other financing sources	<u>3,709</u>	<u>(239)</u>	<u>2,868</u>	<u>-</u>	<u>(125)</u>	<u>1,205</u>
Net change in fund balances	868	(229)	1,097	-	-	-
Fund balances - beginning	<u>(1,554)</u>	<u>1,203</u>	<u>(2,772)</u>	<u>15</u>	<u>-</u>	<u>-</u>
Fund balances - ending	<u>\$ (686)</u>	<u>\$ 974</u>	<u>\$ (1,675)</u>	<u>\$ 15</u>	<u>\$ -</u>	<u>\$ -</u>

COUNTY OF VENTURA
BUDGETARY COMPARISON SCHEDULE
NON-MAJOR CAPITAL PROJECTS FUNDS
REDEVELOPMENT AGENCY PIRU PROJECT
FOR THE FISCAL YEAR ENDED JUNE 30, 2004
(In Thousands)

	REDEVELOPMENT AGENCY PIRU PROJECT			
	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
Resources (inflows):				
Revenue from use of money and property	\$ 1	\$ 1	\$ -	\$ (1)
Aid from other governmental units	159	77	21	(56)
Amount available for appropriation	160	78	21	(57)
Charges to appropriations (outflows):				
Capital outlay	176	93	21	72
Total charges to appropriation	176	93	21	72
Deficiency of revenues over (under) expenditures	(16)	(15)	-	15
Deficiency of revenues and other sources over (under) expenditures and other uses	(16)	(15)	-	15
Fund balances - beginning	15	15	15	-
Fund balances - ending	\$ (1)	\$ -	\$ 15	\$ 15

COUNTY OF VENTURA
BUDGETARY COMPARISON SCHEDULE
NON-MAJOR CAPITAL PROJECTS FUNDS
JUVENILE JUSTICE COMPLEX
FOR THE FISCAL YEAR ENDED JUNE 30, 2004
(In Thousands)

	JUVENILE JUSTICE COMPLEX			
	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive Positive (Negative)
Resources (inflows):				
Aid from other governmental units	\$ -	\$ -	\$ 125	\$ 125
Amount available for appropriation	-	-	125	125
Charges to appropriations (outflows):				
Public protection:				
Services and supplies	307	242	-	242
Total public protection	307	242	-	242
Capital outlay	312	36	-	36
Total charges to appropriation	619	278	-	278
Excess (deficiency) of revenues over (under) expenditures	(619)	(278)	125	403
Other financing sources (uses):				
Transfers in	530	718	404	(314)
Transfer out	-	(529)	(529)	-
Total financing sources (uses)	530	189	(125)	(314)
Deficiency of revenues and other sources over (under) expenditures and other uses	(89)	(89)	-	89
Fund balances - beginning	-	-	-	-
Fund balances - ending	\$ (89)	\$ (89)	\$ -	\$ 89

COUNTY OF VENTURA
BUDGETARY COMPARISON SCHEDULE
NON-MAJOR CAPITAL PROJECTS FUNDS
JUVENILE JUSTICE COMPLEX COURTHOUSE
FOR THE FISCAL YEAR ENDED JUNE 30, 2005
(In Thousands)

JUVENILE JUSTICE COMPLEX - COURTHOUSE				
	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
Charges to appropriations (outflows):				
Public protection:				
Services and supplies	\$ 189	\$ 143	\$ -	\$ 143
Total public protection	189	143	-	143
Capital outlay	817	1,205	1,205	-
Total charges to appropriation	1,006	1,348	1,205	143
Deficiency of revenues over (under) expenditures	(1,006)	(1,348)	(1,205)	143
Other financing sources (uses):				
Transfers in	1,006	1,535	1,393	(142)
Transfer out	-	(187)	(188)	1
Total financing sources (uses)	1,006	1,348	1,205	(141)
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses	-	-	-	-
Fund balances - beginning	-	-	-	-
Fund balances - ending	\$ -	\$ -	\$ -	\$ -

NON-MAJOR GOVERNMENTAL FUNDS

PERMANENT FUND

GEORGE D. LYON

The George D. Lyon Book Fund was established in December 2002, funded by a bequest with the legal restriction that only earnings, and not principal, may be used for the purchase of books for the Foster Library in Ventura, California.

COUNTY OF VENTURA
BUDGETARY COMPARISON SCHEDULE
NON-MAJOR PERMANENT FUND
GEORGE D. LYON BOOK FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2005
(In Thousands)

GEORGE D. LYON BOOK FUND

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
Resources (inflows):				
Revenue from use of money and property	\$ 17	\$ 17	\$ 25	\$ 8
Other	-	-	11	11
Amount available for appropriation	17	17	36	19
Excess of revenues over (under) expenditures	17	17	36	19
Other financing sources (uses):				
Transfers out	(24)	(24)	(24)	-
Total financing sources (uses)	(24)	(24)	(24)	-
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses	(7)	(7)	12	19
Fund balances - beginning	1,123	1,123	1,123	-
Fund balances - ending	<u>\$ 1,116</u>	<u>\$ 1,116</u>	<u>\$ 1,135</u>	<u>\$ 19</u>

NONMAJOR
ENTERPRISE
FUNDS



NON-MAJOR ENTERPRISE FUNDS

Enterprise funds are one of two types of proprietary funds used to report activities for which fees are charged to external users for full recovery, or more, of goods or services provided. They are exempt from legal compliance for budgetary control and follow commercial accounting principles for determination of operating, rather than budgetary, results. The County has established and uses the following enterprise funds:

PARKS DEPARTMENT

This fund accounts for the operation of the County's parks and golf courses, including administrative, fiscal, and other support services to these operations. Revenues are derived primarily from rentals of facilities to operators and concessionaires and from fees charged to public users of the facilities. The fund also accounts for federal and state aid and County contributions in support of parks and recreational activities.

CHANNEL ISLANDS HARBOR EXPANSION

This fund accounts for the expansion area of the Channel Islands Marina financed by loans from the State of California and coordinates growth of this facility. The commercial fishing enterprise activities funded by a federal loan is accounted for in this fund. The fund's revenues are derived from tenants in the expansion area. It is operated by the Channel Islands Harbor Enterprise Fund in conjunction with that fund's management of the remainder of the Marina facility.

CHANNEL ISLANDS HARBOR

This fund accounts for the operation of the Channel Islands Marina, including administrative, fiscal, and other support to this operation, as well as to the Channel Islands Harbor Expansion Fund. Revenues are derived primarily from rentals of facilities to operators and concessionaires and from fees charged to the public users of the facility.

HEALTH CARE PLAN

The Ventura County Health Care Plan is a self-insured group medical plan operated by the County Health Care Agency. Revenues are derived primarily from charges to participating employer groups for medical insurance.

OAK VIEW SCHOOL PRESERVATION AND MAINTENANCE

This assessment district was established on August 2, 2002 for the costs of acquiring and rehabilitating the former Oak View School for use as a community park and family resource center. Acquisition and development costs of \$1.4 million are financed principally by tax exempt commercial paper and grant funds. Benefit assessments will fund annual debt service and maintenance and operation costs. The project is administered by the General Services Agency.

COUNTY OF VENTURA
COMBINING STATEMENT OF NET ASSETS
NON-MAJOR ENTERPRISE FUNDS
JUNE 30, 2005
(In Thousands)

	Total	Parks Department	Channel Islands Harbor Expansion	Channel Islands Harbor	Health Care Plan	Oak View School
<u>ASSETS</u>						
Current assets:						
Cash and investments	\$ 11,845	\$ 2,871	\$ 5,427	\$ 285	\$ 3,137	\$ 125
Receivables, net	2,932	1,158	233	757	782	2
Due from other funds	2,334	1,003	18	1,292	21	-
Inventories and other assets	1,017	971	-	29	17	-
Restricted cash and investments	1,676	-	120	56	1,500	-
Total current assets	19,804	6,003	5,798	2,419	5,457	127
Noncurrent assets:						
Long-term receivables	856	856	-	-	-	-
Capital assets:						
Nondepreciable:						
Land	9,532	6,157	-	2,154	-	1,221
Construction in progress	3,465	2,320	268	583	-	294
Depreciable:						
Land improvements	4,676	3,611	-	1,065	-	-
Structures and improvements	15,161	5,494	8,143	1,524	-	-
Equipment/Vehicles	1,748	409	102	1,237	-	-
Less accumulated depreciation	(13,355)	(5,993)	(5,519)	(1,843)	-	-
Total noncurrent assets	22,083	12,854	2,994	4,720	-	1,515
Total assets	<u>\$ 41,887</u>	<u>\$ 18,857</u>	<u>\$ 8,792</u>	<u>\$ 7,139</u>	<u>\$ 5,457</u>	<u>\$ 1,642</u>
<u>LIABILITIES</u>						
Current liabilities:						
Accounts payable	\$ 916	\$ 439	\$ 241	\$ 182	\$ 54	\$ -
Short-term compensated absences	186	57	-	129	-	-
Accrued liabilities	5,737	853	-	4,552	332	-
Due to other funds	953	201	103	62	587	-
Current portion of long-term liabilities	474	12	370	35	-	57
Total current liabilities	8,266	1,562	714	4,960	973	57
Noncurrent liabilities:						
Unearned revenue	1,115	591	133	257	134	-
Claims liabilities	2,921	-	-	-	2,921	-
Advances from other funds	203	203	-	-	-	-
Long-term compensated absences	136	63	-	73	-	-
Noncurrent portion of long-term liabilities	2,798	81	1,540	325	-	852
Total noncurrent liabilities	7,173	938	1,673	655	3,055	852
Total liabilities	<u>15,439</u>	<u>2,500</u>	<u>2,387</u>	<u>5,615</u>	<u>4,028</u>	<u>909</u>
<u>NET ASSETS</u>						
Invested in capital assets, net of related debt	18,131	11,905	1,204	4,416	-	606
Restricted	3,022	1,346	120	56	1,500	-
Unrestricted	5,295	3,106	5,081	(2,948)	(71)	127
Total net assets	26,448	16,357	6,405	1,524	1,429	733
Total liabilities and net assets	<u>\$ 41,887</u>	<u>\$ 18,857</u>	<u>\$ 8,792</u>	<u>\$ 7,139</u>	<u>\$ 5,457</u>	<u>\$ 1,642</u>

COUNTY OF VENTURA
 COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
 NON-MAJOR ENTERPRISE FUNDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2005
 (In Thousands)

	Total	Parks Department	Channel Islands Harbor Expansion	Channel Islands Harbor	Health Care Plan	Oak View School
Operating Revenues:						
Charges for services	\$ 22,990	\$ 1,015	\$ 47	\$ 4,213	\$ 17,569	\$ 146
Rents and royalties	6,088	2,004	1,686	2,389	-	9
Miscellaneous	11	-	11	-	-	-
Total operating revenues	<u>29,089</u>	<u>3,019</u>	<u>1,744</u>	<u>6,602</u>	<u>17,569</u>	<u>155</u>
Operating Expenses:						
Salaries and benefits	3,453	1,023	-	2,430	-	-
Services and supplies	10,648	3,070	1,092	4,229	2,190	67
Insurance premiums	572	39	-	170	363	-
Utilities	329	151	4	174	-	-
Provision for claims	15,128	-	-	-	15,128	-
Depreciation and amortization	694	375	129	190	-	-
Total operating expenses	<u>30,824</u>	<u>4,658</u>	<u>1,225</u>	<u>7,193</u>	<u>17,681</u>	<u>67</u>
Operating income (loss)	<u>(1,735)</u>	<u>(1,639)</u>	<u>519</u>	<u>(591)</u>	<u>(112)</u>	<u>88</u>
Nonoperating revenues (expenses)						
State and federal grants	207	-	-	207	-	-
Gain from insurance recovery	984	984	-	-	-	-
Loss from disposal of capital assets	(20)	(2)	-	(18)	-	-
Interest and investment income	320	37	128	13	138	4
Interest expense	(139)	(7)	(102)	(16)	-	(14)
Judgments and damages	<u>(4,423)</u>	<u>-</u>	<u>-</u>	<u>(4,423)</u>	<u>-</u>	<u>-</u>
Total nonoperating revenues (expenses)	<u>(3,071)</u>	<u>1,012</u>	<u>26</u>	<u>(4,237)</u>	<u>138</u>	<u>(10)</u>
Net income (loss) before capital contributions and transfers	<u>(4,806)</u>	<u>(627)</u>	<u>545</u>	<u>(4,828)</u>	<u>26</u>	<u>78</u>
Capital grants and contributions	2,007	2,007	-	-	-	-
Transfers in	3,690	2,193	-	1,497	-	-
Transfers out	<u>(91)</u>	<u>-</u>	<u>(91)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in net assets	800	3,573	454	(3,331)	26	78
Net assets - beginning	<u>25,648</u>	<u>12,784</u>	<u>5,951</u>	<u>4,855</u>	<u>1,403</u>	<u>655</u>
Net assets - ending	<u>\$ 26,448</u>	<u>\$ 16,357</u>	<u>\$ 6,405</u>	<u>\$ 1,524</u>	<u>\$ 1,429</u>	<u>\$ 733</u>

COUNTY OF VENTURA
COMBINING STATEMENT OF CASH FLOWS
NON-MAJOR ENTERPRISE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2005
(In Thousands)

	Total	Parks Dept.	Channel Islands Harbor Expansion	Channel Islands Harbor	Health Care Plan	Oak View School
Cash Flows from Operating Activities						
Cash receipts from customers	\$13,061	\$ 2,677	\$ 1,768	\$ 5,863	\$ 2,599	\$ 154
Cash receipts from other funds	15,365	-	-	601	14,764	-
Cash paid to suppliers for goods and services	(8,591)	(2,964)	(402)	(4,417)	(751)	(57)
Cash paid to employees for services	(2,603)	(211)	-	(2,392)	-	-
Cash paid to other funds	(3,134)	(721)	(580)	(418)	(1,404)	(11)
Cash paid for insurance premiums	(363)	-	-	-	(363)	-
Cash paid for judgments and claims	(16,215)	-	-	-	(16,215)	-
Net cash provided by (used in) operating activities	(2,480)	(1,219)	786	(763)	(1,370)	86
Cash Flows from Noncapital Financing Activities						
Transfers received	2,490	2,193	-	297	-	-
Transfers paid	(91)	-	(91)	-	-	-
State and federal grant receipts	207	-	-	207	-	-
Net cash provided by (used in) noncapital financing activities	2,606	2,193	(91)	504	-	-
Cash Flows from Capital and Related Financing Activities						
Proceeds from capital grants	907	907	-	-	-	-
Proceeds from capital contributions	16	16	-	-	-	-
Proceeds from insurance recovery	30	30	-	-	-	-
Acquisition and construction of capital assets	(2,203)	(1,924)	(70)	(209)	-	-
Principal paid on capital lease obligations	(12)	(12)	-	-	-	-
Principal paid on capital debt	(444)	-	(356)	(30)	-	(58)
Interest paid on capital debt	(139)	(7)	(102)	(16)	-	(14)
Proceeds from sales of capital assets	14	-	-	14	-	-
Net cash provided by (used in) capital and related financing activities	(1,831)	(990)	(528)	(241)	-	(72)
Cash Flows from Investing Activities						
Interest and investment income received	290	36	113	13	125	3
Net cash provided by investing activities	290	36	113	13	125	3
Net increase (decrease) in cash and cash equivalents	(1,415)	20	280	(487)	(1,245)	17
Total cash and cash equivalents, beginning of the year	13,260	2,851	5,147	772	4,382	108
Total cash and cash equivalents, end of the year	\$11,845	\$ 2,871	\$ 5,427	\$ 285	\$ 3,137	\$ 125
Reconciliation of operating income (loss) to net cash						
Provided (used) by operating activities						
Operating income (loss)	\$(1,735)	\$(1,639)	\$ 519	\$ (591)	\$ (112)	\$ 88
Adjustments to reconcile operating income (loss) to cash flows from operation activities:						
Depreciation and amortization	694	375	129	190	-	-
Decrease (increase) in:						
Accounts receivable	(701)	(436)	(12)	(95)	(156)	(2)
Due from other funds	(84)	3	-	(79)	(8)	-
Inventories and other assets	(966)	(971)	-	3	2	-
Increase (decrease) in:						
Accounts payable	325	429	29	(98)	(35)	-
Accrued liabilities	180	796	-	(128)	(488)	-
Due to other funds	802	156	84	5	557	-
Unearned revenue	82	53	37	35	(43)	-
Claims liabilities	(1,087)	-	-	-	(1,087)	-
Advances from other funds	2	2	-	-	-	-
Compensated absences	8	13	-	(5)	-	-
Net cash provided by (used in) operating activities	\$(2,480)	\$(1,219)	\$ 786	\$ (763)	\$(1,370)	\$ 86

INTERNAL SERVICE FUNDS



INTERNAL SERVICE FUNDS

Internal service funds are one of two types of proprietary funds used to centralize and allocate the cost of certain services provided on a cost-reimbursement basis primarily to County departments as well as to other government agencies. User charges are based upon standard rates calculated on an estimated cost recovery basis.

PUBLIC WORKS SERVICES

This fund coordinates the County's property management activities and provides administrative, engineering, construction, and maintenance services to various County departments as well as other governmental units.

HEAVY EQUIPMENT

This fund maintains the County's fleet of machinery and construction equipment and rents such equipment to County departments and other governmental units.

TRANSPORTATION

This fund provides for the acquisition, maintenance, and replacement of County automobiles and light trucks, which it rents to various County departments and non-County entities.

GENERAL INSURANCE

This fund administers certain commercial and County self-insurance programs, principally worker's compensation, medical malpractice, and general insurance. It also administers the hazardous materials program which provides for waste handling, disposal and reporting.

INFORMATION SYSTEMS

This fund is responsible for the design, implementation and maintenance of the telecommunication network as well as the computer-assisted systems which support the information processing requirements of the County departments and certain non-County entities.

GENERAL SERVICES

This fund's services include graphics, mailroom, stores, purchasing, security, maintenance, custodial, and landscaping provided to all County departments and certain non-County entities. The fund also administers the utilities program and the job order contract program, which contracts with outside vendors to provide maintenance projects for County departments.

EMPLOYEE BENEFITS INSURANCE

This fund administers the County's commercial employees' group medical plan and disability income protection plan and the self-insured, wage-supplement, and unemployment insurance programs. The fund, operated by the Human Resources Department, collects premiums from County agencies, departments and employees, and makes benefit payments through outside settlement agents.

PERSONNEL SERVICES

This fund administers the training services offered to County and non-County entities. Services include assessment of the requesting entity's needs as well as the development and delivery of comprehensive programs. This fund, operated by the Human Resources Department, provides these services at cost to both County departments and outside entities.

COUNTY OF VENTURA
COMBINING STATEMENT OF NET ASSETS
INTERNAL SERVICE FUND
JUNE 30, 2005
(In Thousands)

	Total	Public Works Services	Heavy Equipment	Transportation
ASSETS				
Current assets:				
Cash and investments	\$ 108,034	\$ 4,294	\$ 2,529	\$ 3,571
Receivables, net	3,548	86	15	362
Due from other funds	11,302	5,026	607	2,581
Due from other governmental agencies	163	-	-	-
Inventories and other assets	2,516	-	-	358
Restricted cash and investments	451	-	-	-
Total current assets	126,014	9,406	3,151	6,872
Noncurrent assets:				
Long-term receivables	269	-	-	269
Capital assets:				
Nondepreciable:				
Land	834	-	-	-
Construction in progress	75	63	-	12
Depreciable:				
Structures and improvements	4,828	563	26	318
Equipment/Vehicles	82,713	491	12,770	31,883
Less accumulated depreciation	(55,654)	(597)	(5,892)	(18,063)
Total noncurrent assets	33,065	520	6,904	14,419
Total assets	\$ 159,079	\$ 9,926	\$ 10,055	\$ 21,291
LIABILITIES				
Current liabilities:				
Accounts payable	\$ 5,434	\$ 79	\$ 1	\$ 327
Short-term compensated absences	3,245	1,570	52	126
Accrued liabilities	2,036	993	29	73
Due to other funds	2,082	123	436	117
Due to other governmental agencies	67	-	-	-
Current portion of long-term liabilities	1,304	-	-	345
Total current liabilities	14,168	2,765	518	988
Noncurrent liabilities:				
Unearned revenue	2,002	341	-	-
Claims liabilities	76,531	-	-	-
Unamortized bond premium	109	-	-	-
Long-term compensated absences	2,231	1,214	48	88
Noncurrent portion of long-term liabilities	4,529	-	-	269
Total noncurrent liabilities	85,402	1,555	48	357
Total liabilities	99,570	4,320	566	1,345
NET ASSETS				
Invested in capital assets, net of related debt	28,028	520	6,904	14,150
Restricted	451	-	-	-
Unrestricted	31,030	5,086	2,585	5,796
Total net assets	59,509	5,606	9,489	19,946
Total liabilities and net assets	\$ 159,079	\$ 9,926	\$ 10,055	\$ 21,291

COUNTY OF VENTURA
COMBINING STATEMENT OF NET ASSETS
INTERNAL SERVICE FUND
JUNE 30, 2005
(In Thousands)

General Insurance	Information Systems	General Services	Employee Benefit Insurance	Personnel Services	
					ASSETS
					Current assets:
\$ 74,275	\$ 11,643	\$ 9,620	\$ 1,872	\$ 230	Cash and investments
2,360	344	112	215	54	Receivables, net
426	1,240	1,418	2	2	Due from other funds
-	163	-	-	-	Due from other governmental agencies
804	772	582	-	-	Inventories and other assets
-	-	451	-	-	Restricted cash and investments
<u>77,865</u>	<u>14,162</u>	<u>12,183</u>	<u>2,089</u>	<u>286</u>	Total current assets
					Noncurrent assets:
-	-	-	-	-	Long-term receivables
					Capital assets:
					Nondepreciable:
770	64	-	-	-	Land
-	-	-	-	-	Construction in progress
					Depreciable:
-	1,650	2,271	-	-	Structures and improvements
74	32,358	5,126	11	-	Equipment/Vehicles
(64)	(28,823)	(2,204)	(11)	-	Less accumulated depreciation
<u>780</u>	<u>5,249</u>	<u>5,193</u>	<u>-</u>	<u>-</u>	Total noncurrent assets
<u>\$ 78,645</u>	<u>\$ 19,411</u>	<u>\$ 17,376</u>	<u>\$ 2,089</u>	<u>\$ 286</u>	Total assets
					LIABILITIES
					Current liabilities:
\$ 1,186	\$ 731	\$ 2,977	\$ 112	\$ 21	Accounts payable
82	740	585	84	6	Short-term compensated absences
39	465	381	49	7	Accrued liabilities
1,076	1	307	20	2	Due to other funds
-	67	-	-	-	Due to other governmental agencies
-	719	240	-	-	Current portion of long-term liabilities
<u>2,383</u>	<u>2,723</u>	<u>4,490</u>	<u>265</u>	<u>36</u>	Total current liabilities
					Noncurrent liabilities:
133	29	1,499	-	-	Unearned revenue
76,390	-	-	141	-	Claims liabilities
-	-	109	-	-	Unamortized bond premium
33	355	473	20	-	Long-term compensated absences
-	785	3,475	-	-	Noncurrent portion of long-term liabilities
<u>76,556</u>	<u>1,169</u>	<u>5,556</u>	<u>161</u>	<u>-</u>	Total noncurrent liabilities
<u>78,939</u>	<u>3,892</u>	<u>10,046</u>	<u>426</u>	<u>36</u>	Total liabilities
					NET ASSETS
780	3,745	1,929	-	-	Invested in capital assets, net of related debt
-	-	451	-	-	Restricted
(1,074)	11,774	4,950	1,663	250	Unrestricted
<u>(294)</u>	<u>15,519</u>	<u>7,330</u>	<u>1,663</u>	<u>250</u>	Total net assets
<u>\$ 78,645</u>	<u>\$ 19,411</u>	<u>\$ 17,376</u>	<u>\$ 2,089</u>	<u>\$ 286</u>	Total liabilities and net assets

COUNTY OF VENTURA
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
INTERNAL SERVICE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2005
(In Thousands)

	Total	Public Works Services	Heavy Equipment	Transportation
Operating Revenues:				
Charges for services	\$ 171,716	\$ 37,275	\$ 3,223	\$ 9,980
Miscellaneous	56	-	-	-
Total operating revenues	171,772	37,275	3,223	9,980
Operating Expenses:				
Salaries and benefits	63,827	31,118	927	2,310
Services and supplies	60,329	5,724	1,616	5,565
Insurance premiums	6,299	89	49	25
Provision for claims	32,301	-	-	-
Depreciation and amortization	7,378	51	699	3,458
Total operating expenses	170,134	36,982	3,291	11,358
Operating income (loss)	1,638	293	(68)	(1,378)
Nonoperating revenues (expenses):				
State and federal grants	23	23	-	-
Gain (loss) from disposal of capital assets	(401)	-	10	(408)
Interest and investment income	2,101	122	53	47
Interest expense	(215)	-	-	-
Total nonoperating revenues (expenses)	1,508	145	63	(361)
Net income (loss) before transfers	3,146	438	(5)	(1,739)
Transfers in	2,466	40	397	1,843
Transfers out	(61)	(40)	-	-
Change in net assets	5,551	438	392	104
Net assets - beginning	53,958	5,168	9,097	19,842
Net assets - ending	\$ 59,509	\$ 5,606	\$ 9,489	\$ 19,946

COUNTY OF VENTURA
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
INTERNAL SERVICE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2005
(In Thousands)

General Insurance	Information Systems	General Services	Employee Benefits Insurance	Personnel Services	
\$ 43,014	\$ 28,767	\$ 43,089	\$ 5,905	\$ 463	Operating Revenues:
-	-	-	56	-	Charges for services
43,014	28,767	43,089	5,961	463	Miscellaneous
					Total operating revenues
					Operating Expenses:
1,225	14,607	11,835	1,575	230	Salaries and benefits
2,442	12,613	29,037	3,092	240	Services and supplies
4,701	92	193	1,147	3	Insurance premiums
32,243	-	-	58	-	Provision for claims
5	2,727	438	-	-	Depreciation and amortization
40,616	30,039	41,503	5,872	473	Total operating expenses
2,398	(1,272)	1,586	89	(10)	Operating income (loss)
-	-	-	-	-	Nonoperating revenues (expenses):
-	1	(4)	-	-	State and federal grants
1,421	281	127	44	6	Gain (loss) from disposal of capital assets
-	(36)	(179)	-	-	Interest and investment income
1,421	246	(56)	44	6	Interest expense
					Total nonoperating revenues (expenses)
3,819	(1,026)	1,530	133	(4)	Net income (loss) before transfers
186	-	-	-	-	Transfers in
(21)	-	-	-	-	Transfers out
3,984	(1,026)	1,530	133	(4)	Change in net assets
(4,278)	16,545	5,800	1,530	254	Net assets - beginning
\$ (294)	\$ 15,519	\$ 7,330	\$ 1,663	\$ 250	Net assets - ending

COUNTY OF VENTURA
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2005
(In Thousands)

	Total	Public Works Services	Heavy Equipment	Transportation
Cash Flows from Operating Activities				
Cash receipts from customers	\$ 18,836	\$ 117	\$ 55	\$ 243
Cash receipts from other funds	152,648	36,461	3,383	7,857
Cash receipts from other sources	190	-	-	190
Cash paid to suppliers for goods and services	(45,589)	(1,509)	(533)	(4,259)
Cash paid to employees for services	(62,995)	(30,559)	(909)	(2,283)
Cash paid to other funds	(15,213)	(5,175)	(792)	(1,267)
Cash paid for insurance premiums	(4,689)	-	-	-
Cash paid for judgments and claims	(16,454)	-	-	-
Net cash provided by (used in) operating activities	26,734	(665)	1,204	481
Cash Flows from Noncapital Financing Activities				
Transfers received	2,386	40	397	1,763
Transfers paid	(61)	(40)	-	-
State and federal grant receipts	23	23	-	-
Net cash provided by (used in) noncapital financing activities	2,348	23	397	1,763
Cash Flows from Capital and Related Financing Activities				
Proceeds from capital contributions	443	-	-	443
Acquisition and construction of capital assets	(4,224)	(46)	(805)	(1,268)
Principal paid on capital debt	(1,037)	-	-	-
Interest paid on capital debt	(221)	-	-	-
Proceeds from sales of capital assets	503	-	100	402
Net cash used in capital and related financing activities	(4,536)	(46)	(705)	(423)
Cash Flows from Investing Activities				
Interest and investment income received	1,705	107	42	31
Net cash provided by investing activities	1,705	107	42	31
Net increase (decrease) in cash and cash equivalents	26,251	(581)	938	1,852
Total cash and cash equivalents, beginning of the year	81,783	4,875	1,591	1,719
Total cash and cash equivalents, end of the year	\$ 108,034	\$ 4,294	\$ 2,529	\$ 3,571
Reconciliation of operating loss to net cash provided (used)				
By operating activities				
Operating income (loss)	\$ 1,638	\$ 293	\$ (68)	\$ (1,378)
Adjustments to reconcile operating income (loss)				
to cash flows from operation activities:				
Depreciation and amortization	7,378	51	699	3,458
Decrease (increase) in:				
Accounts receivable	(1,495)	(30)	-	-
Due from other funds	(1,454)	(666)	215	(1,880)
Due from other governmental agencies	189	-	-	189
Inventories and other assets	316	-	-	419
Increase (decrease) in:				
Accounts payable	1,553	18	(1)	(192)
Accrued liabilities	219	226	2	10
Due to other funds	1,430	(178)	340	35
Unearned revenue	815	(712)	-	-
Claims liabilities	15,846	-	-	-
Other liabilities	(197)	-	-	(197)
Compensated absences	496	333	17	17
Net cash provided by (used in) operating activities	\$ 26,734	\$ (665)	\$ 1,204	\$ 481

COUNTY OF VENTURA
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2005
(In Thousands)

General Insurance	Information Systems	General Services	Employee Benefits Insurance	Personnel Services	
\$ 464	\$ 1,837	\$11,660	\$ 4,239	\$ 221	Cash Flows from Operating Activities
43,142	26,883	32,923	1,671	328	Cash receipts from customers
-	-	-	-	-	Cash receipts from other funds
(751)	(10,447)	(25,410)	(2,554)	(126)	Cash receipts from other sources
(1,224)	(14,522)	(11,693)	(1,562)	(243)	Cash paid to suppliers for goods and services
(848)	(1,977)	(3,388)	(1,665)	(101)	Cash paid to employees for services
(4,689)	-	-	-	-	Cash paid to other funds
(16,331)	-	-	(123)	-	Cash paid for insurance premiums
19,763	1,774	4,092	6	79	Cash paid for judgments and claims
					Net cash provided by (used in) operating activities
					Cash Flows from Noncapital Financing Activities
186	-	-	-	-	Transfers received
(21)	-	-	-	-	Transfers paid
-	-	-	-	-	State and federal grant receipts
165	-	-	-	-	Net cash provided by (used in) noncapital financing activities
					Cash Flows from Capital and Related Financing Activities
-	-	-	-	-	Proceeds from capital contributions
(770)	(1,154)	(181)	-	-	Acquisition and construction of capital assets
-	(807)	(230)	-	-	Principal paid on capital debt
-	(36)	(185)	-	-	Interest paid on capital debt
-	1	-	-	-	Proceeds from sales of capital assets
(770)	(1,996)	(596)	-	-	Net cash provided by (used in) capital and related financing activities
					Cash Flows from Investing Activities
1,131	243	107	39	5	Interest and investment income received
1,131	243	107	39	5	Net cash provided by investing activities
20,289	21	3,603	45	84	Net increase (decrease) in cash and cash equivalents
53,986	11,622	6,017	1,827	146	Total cash and cash equivalents, beginning of the year
\$74,275	\$ 11,643	\$ 9,620	\$ 1,872	\$ 230	Total cash and cash equivalents, end of the year
					Reconciliation of operating loss to net cash provided (used)
					By operating activities
\$ 2,398	\$ (1,272)	\$ 1,586	\$ 89	\$ (10)	Operating income (loss)
					Adjustments to reconcile operating income (loss)
					to cash flows from operation activities:
5	2,727	438	-	-	Depreciation and amortization
					Decrease (increase) in:
(1,219)	(151)	(50)	(53)	8	Accounts receivable
768	130	(100)	2	77	Due from other funds
-	-	-	-	-	Due from other governmental agencies
(30)	-	(73)	-	-	Inventories and other assets
					Increase (decrease) in:
1,054	219	429	9	17	Accounts payable
(126)	51	60	2	(6)	Accrued liabilities
944	54	223	12	-	Due to other funds
45	(17)	1,499	-	-	Unearned revenue
15,912	-	-	(66)	-	Claims liabilities
-	-	-	-	-	Other liabilities
12	33	80	11	(7)	Compensated absences
\$19,763	\$ 1,774	\$ 4,092	\$ 6	\$ 79	Net cash provided by (used in) operating activities

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FIDUCIARY FUNDS



FIDUCIARY FUNDS

Fiduciary funds are custodial in nature and are used to account for assets and liabilities held in a trustee or agency capacity for others. Therefore, these resources cannot be used to support the ongoing activities of the County.

PENSION TRUST

VCERA TRUST

This fund is used to account for the financial operations of the Ventura County Employees' Retirement Association under the 1937 Retirement Benefit Act.

SUPPLEMENTAL RETIREMENT PLAN TRUST

This fund is used to account for the supplemental retirement plan trust fund established for extra-help and other employees whose employment does not otherwise entitle them to retirement under the 1937 Act VCERA plan and supplemental benefits for elected officials and employees who terminated under the Early Retirement Incentive Plan.

INVESTMENT TRUST

The County Treasurer operates a single investment pool and provides fiscal services for various other governmental entities, such as special districts and school districts. This fund represents the external portion of the pool with the assets, primarily cash and investments, of these entities in the Treasurer's custody and the related liability of the County to disburse these monies on demand. The County follows procedures of GASB Statement No. 31, "Accounting and Financial Reporting for Certain Investments and for External Investment Pools".

AGENCY

Agency funds account for assets held for distribution by the County as an agent for various other funds and local governments.

COUNTY OF VENTURA
 COMBINING STATEMENT OF FIDUCIARY NET ASSETS
 PENSION TRUST FUNDS
 JUNE 30, 2005
 (In Thousands)

	Total	VCERA Pension Trust	Supplemental Retirement Plan
<u>ASSETS</u>			
Cash and investments	\$ 52,878	\$ 52,522	\$ 356
Receivables (net)			
Employer contributions	2,609	2,300	309
Employee contributions	987	987	-
Interest and dividends	3,377	3,375	2
Security sales	119,014	119,014	-
Miscellaneous	1,263	1,263	-
Investments:			
Domestic equity securities	1,109,681	1,109,681	-
Domestic fixed income securities	687,253	687,253	-
International equity securities	334,644	334,644	-
Global equity	127,919	127,919	-
Real estate	98,154	98,154	-
International fixed income bonds	32,353	32,353	-
Collateral held for securities lent	167,385	167,385	-
Bond mutual funds	2,062	-	2,062
Equity mutual funds	6,470	-	6,470
Due from other governmental agencies	3	3	-
Total assets	<u>2,746,052</u>	<u>2,736,853</u>	<u>9,199</u>
<u>LIABILITIES</u>			
Accounts payable	3,586	3,586	-
Due to other governmental agencies	178	8	170
Security deposits payable	106	106	-
Security purchases payable	165,396	165,396	-
Collateral held for securities lent	167,385	167,385	-
Total liabilities	<u>336,651</u>	<u>336,481</u>	<u>170</u>
<u>NET ASSETS</u>			
Net assets held in trust for pension benefits	<u>\$ 2,409,401</u>	<u>\$ 2,400,372</u>	<u>\$ 9,029</u>

COUNTY OF VENTURA
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
PENSION TRUST FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2005
(In Thousands)

	Total	VCERA Pension Trust	Supplemental Retirement Plan
ADDITIONS			
Contributions:			
Employer:			
Annual actuarially determined	\$ 52,187	\$ 51,792	\$ 395
Other	6,644	6,644	-
Employee contributions	29,637	29,352	285
Total contributions	88,468	87,788	680
Net investment income:			
Net appreciation in			
fair value of investments	184,081	183,423	658
Interest income	16,457	16,446	11
Dividend income	6,375	6,375	-
Real estate income, net	5,324	5,324	-
Investment expense	(5,928)	(5,928)	-
Net investment income before			
securities lending income	206,309	205,640	669
Securities lending income:			
Earnings	3,835	3,835	-
Rebates	(3,293)	(3,293)	-
Fees	(163)	(163)	-
Net securities lending income	379	379	-
Net investment income	206,688	206,019	669
Total additions	295,156	293,807	1,349
DEDUCTIONS			
Benefit payments	110,012	109,734	278
Member refunds	3,536	3,536	-
Administrative expenses	3,155	2,939	216
Total deductions	116,703	116,209	494
Change in net assets	178,453	177,598	855
Net assets - beginning	2,230,948	2,222,774	8,174
Net assets - ending	\$ 2,409,401	\$ 2,400,372	\$ 9,029

COUNTY OF VENTURA
SCHEDULE OF FIDUCIARY NET ASSETS
INVESTMENT TRUST FUND
JUNE 30, 2005
(In Thousands)

	Total	Special Districts under Local Board	School Districts	Independent Special Districts
<u>ASSETS</u>				
Cash and investments	\$ 715,730	\$ 56,850	\$ 618,766	\$ 40,114
Accounts Receivables	6,932	1,226	3,969	1,737
Due from other governmental agencies	1,091	85	931	75
Total assets	<u>723,753</u>	<u>58,161</u>	<u>623,666</u>	<u>41,926</u>
<u>LIABILITIES</u>				
Accounts payable	4,153	211	-	3,942
Due to other governmental agencies	177	82	3	92
Total liabilities	<u>4,330</u>	<u>293</u>	<u>3</u>	<u>4,034</u>
<u>NET ASSETS</u>				
Net assets held in trust for investment pool participants	<u>\$ 719,423</u>	<u>\$ 57,868</u>	<u>\$ 623,663</u>	<u>\$ 37,892</u>

COUNTY OF VENTURA
SCHEDULE OF CHANGES IN FIDUCIARY NET ASSETS
INVESTMENT TRUST FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2005
(In Thousands)

	Total	Special Districts under Local Board	School Districts	Independent Special Districts
ADDITIONS				
Contributions:				
Contributions to investment pool	\$ 2,238,438	\$ 251,721	\$ 1,792,579	\$ 194,138
Total contributions	<u>2,238,438</u>	<u>251,721</u>	<u>1,792,579</u>	<u>194,138</u>
Net investment income:				
Net appreciation in fair value of investments	863	86	713	64
Interest income	<u>16,680</u>	<u>1,172</u>	<u>14,604</u>	<u>904</u>
Net investment income	<u>17,543</u>	<u>1,258</u>	<u>15,317</u>	<u>968</u>
Total additions	<u>2,255,981</u>	<u>252,979</u>	<u>1,807,896</u>	<u>195,106</u>
DEDUCTIONS				
Distribution from investment pool	<u>2,187,631</u>	<u>250,494</u>	<u>1,742,707</u>	<u>194,430</u>
Total deductions	<u>2,187,631</u>	<u>250,494</u>	<u>1,742,707</u>	<u>194,430</u>
Change in net assets	68,350	2,485	65,189	676
Net assets - beginning	<u>651,073</u>	<u>55,383</u>	<u>558,474</u>	<u>37,216</u>
Net assets - ending	<u>\$ 719,423</u>	<u>\$ 57,868</u>	<u>\$ 623,663</u>	<u>\$ 37,892</u>

COUNTY OF VENTURA
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 AGENCY FUNDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2005
 (In Thousands)

	<u>Balance</u> <u>June 30, 2004</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2005</u>
COUNTY FUNDS				
<u>ASSETS</u>				
Cash and investments	\$ 5,908	\$ 177,012	\$ 172,138	\$ 10,782
Interest and dividends	11	29	11	29
Due from other governmental agencies	3	7	3	7
Total assets	<u>\$ 5,922</u>	<u>\$ 177,048</u>	<u>\$ 172,152</u>	<u>\$ 10,818</u>
<u>LIABILITIES</u>				
Other liabilities	<u>\$ 5,922</u>	<u>\$ 177,053</u>	<u>\$ 172,157</u>	<u>\$ 10,818</u>
Total liabilities	<u>\$ 5,922</u>	<u>\$ 177,053</u>	<u>\$ 172,157</u>	<u>\$ 10,818</u>

CAPITAL ASSETS USED
IN THE OPERATION
OF GOVERNMENTAL FUNDS



COUNTY OF VENTURA
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
SCHEDULE BY SOURCE
JUNE 30, 2005
(In Thousands)

Governmental funds capital assets:

Land and improvements	\$ 218,004
Structures and improvements	363,788
Equipment	74,621
Vehicles	24,296
Infrastructure	372,954
Construction in progress	55,515
Total governmental funds capital assets	<u>\$ 1,109,178</u>

Investments in governmental funds capital assets by source:

Federal grants and entitlements	\$ 36,951
State grants	4,286
Grants from other governmental units	6,755
General fund revenues	389,384
Special revenue fund revenues	387,387
Donations	284,415
Total governmental funds capital assets	<u>\$ 1,109,178</u>

This schedule presents only the capital asset balances related to governmental funds. Accordingly, the capital assets reported in internal service funds are excluded from the above amounts. The capital assets of internal service funds are included as governmental activities in the statement of net assets.

COUNTY OF VENTURA
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
SCHEDULE BY FUNCTION AND ACTIVITY
JUNE 30, 2005
(In Thousands)

Function and Activity	Total	Land and Improvements	Structures	Equipment	Vehicles	Infrastructure	Construction in Progress
General government:							
General administration	\$ 136,833	\$ 4,380	\$ 106,356	\$ 25,881	\$ 82	\$ -	\$ 134
Property management	4,174	157	2,711	797	26	-	483
Plant acquisition	6,777	-	-	-	-	-	6,777
Other	3,282	1,508	-	7	-	-	1,767
Total general government	<u>151,066</u>	<u>6,045</u>	<u>109,067</u>	<u>26,685</u>	<u>108</u>	<u>-</u>	<u>9,161</u>
Public protection:							
Judicial	30,602	516	26,611	2,625	-	-	850
Police protection	46,408	-	15,846	28,407	109	-	2,046
Detention and correction	165,039	4,776	153,826	6,271	125	-	41
Fire protection	70,674	5,416	25,398	4,509	23,650	-	11,701
Flood control and soil & water conservation	258,221	5,235	159	547	-	234,725	17,555
Protective inspection	119	5	85	29	-	-	-
Other	19,706	136	18,063	1,464	43	-	-
Total public protection	<u>590,769</u>	<u>16,084</u>	<u>239,988</u>	<u>43,852</u>	<u>23,927</u>	<u>234,725</u>	<u>32,193</u>
Public ways and facilities	<u>349,008</u>	<u>195,462</u>	<u>2,172</u>	<u>32</u>	<u>-</u>	<u>138,229</u>	<u>13,113</u>
Health and sanitation services	<u>6,009</u>	<u>179</u>	<u>2,226</u>	<u>2,295</u>	<u>261</u>	<u>-</u>	<u>1,048</u>
Public assistance:							
Administration	719	-	-	719	-	-	-
Other	2,320	-	2,022	298	-	-	-
Total public assistance	<u>3,039</u>	<u>-</u>	<u>2,022</u>	<u>1,017</u>	<u>-</u>	<u>-</u>	<u>-</u>
Education:	<u>9,287</u>	<u>234</u>	<u>8,313</u>	<u>740</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total capital assets allocated to functions	<u>\$1,109,178</u>	<u>\$ 218,004</u>	<u>\$ 363,788</u>	<u>\$ 74,621</u>	<u>\$ 24,296</u>	<u>\$ 372,954</u>	<u>\$ 55,515</u>

This schedule presents only the capital asset balances related to governmental funds. Accordingly, the capital assets reported in internal service funds are excluded from the above amounts. The capital assets of internal service funds are included as governmental activities in the statement of net assets.

COUNTY OF VENTURA
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
SCHEDULE OF CHANGES BY FUNCTION AND ACTIVITY
FOR THE FISCAL YEAR ENDED JUNE 30, 2005
(In Thousands)

Function and Activity	Balance June 30, 2004	Additions	Deletions	Net Transfers	Balance June 30, 2005
General government:					
General administration	\$ 124,282	\$ 3,392	\$ 3,260	\$ 12,419	\$ 136,833
Property management	12,127	428	7	(8,374)	4,174
Plant acquisition	18,919	4,488	16,630	-	6,777
Other	7,714	1,442	5,874	-	3,282
Total general government	163,042	9,750	25,771	4,045	151,066
Public protection:					
Judicial	14,817	15,791	6	-	30,602
Police protection	44,460	3,359	1,357	(54)	46,408
Detention and correction	168,750	578	298	(3,991)	165,039
Fire protection	61,108	10,941	1,375	-	70,674
Flood control & soil & water conservation	242,196	27,212	11,187	-	258,221
Protective inspection	119	-	-	-	119
Other	19,922	87	303	-	19,706
Total public protection	551,372	57,968	14,526	(4,045)	590,769
Public ways and facilities	344,272	12,672	7,936	-	349,008
Health and sanitation services	5,271	783	45	-	6,009
Public assistance:					
Administration	707	12	-	-	719
Other	2,429	-	109	-	2,320
Total public assistance	3,136	12	109	-	3,039
Education:					
Library services	9,205	98	16	-	9,287
Total education	9,205	98	16	-	9,287
Total governmental funds capital assets	\$ 1,076,298	\$ 81,283	\$ 48,403	\$ -	\$ 1,109,178

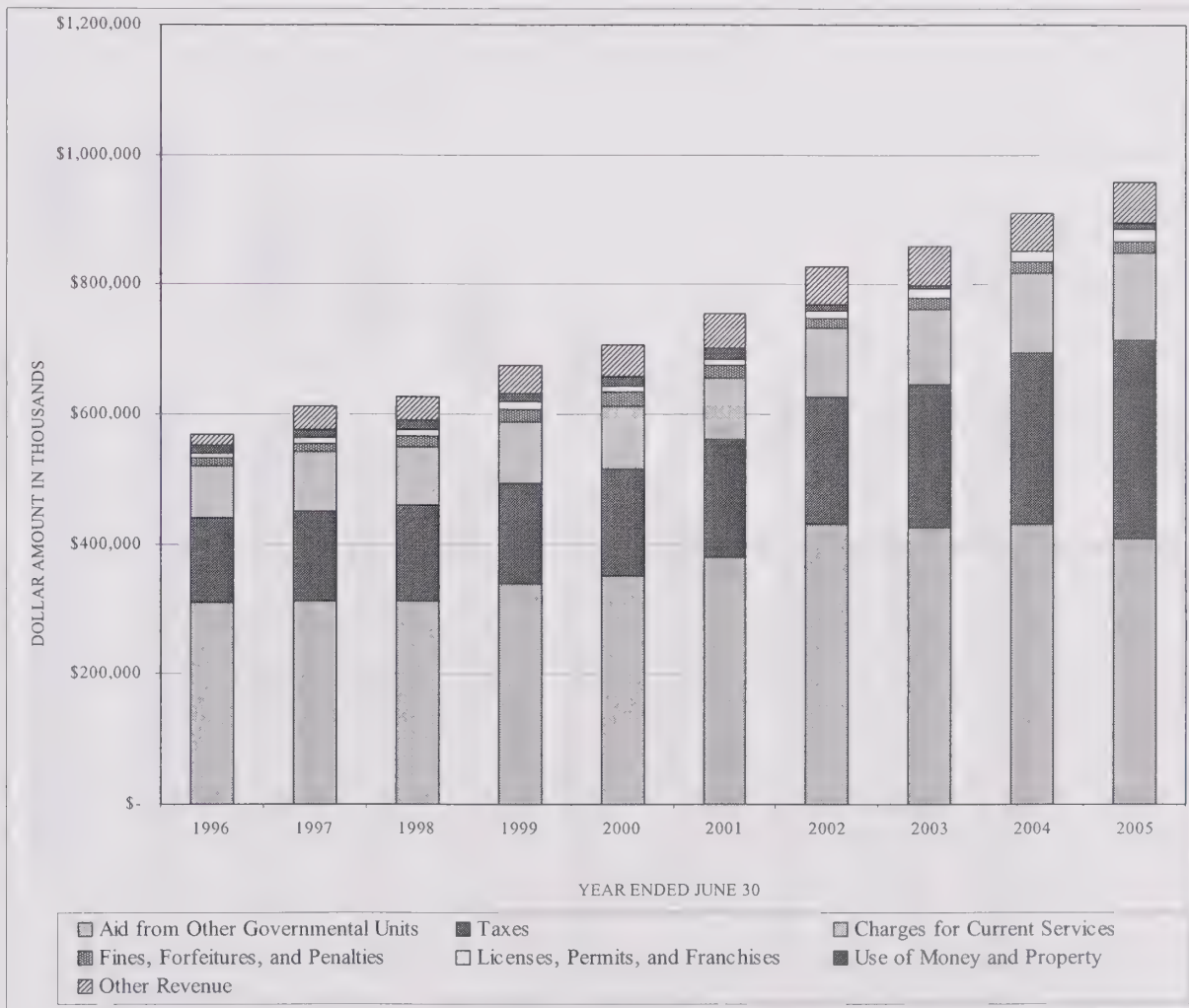
This schedule presents only the capital asset balances related to governmental funds. Accordingly, the capital assets reported in internal service funds are excluded from the above amounts. The capital assets of internal service funds are included as governmental activities in the statement of net assets. The total governmental additions exceed capital outlay due to \$43,764 in transfers from construction in progress to equipment and structures recorded as additions and deletions.

STATISTICAL
SECTION
(UNAUDITED)



COUNTY OF VENTURA
REVENUES BY SOURCE
ALL GOVERNMENTAL FUND TYPES (1)
TEN YEARS ENDED JUNE 30, 2005
(In Thousands)
(UNAUDITED)

YEAR ENDED JUNE 30	TAXES	LICENSES PERMITS, AND FRANCHISES	FINES, FORFEITURES, AND PENALTIES	USE OF MONEY AND PROPERTY	AID FROM OTHER GOVERNMENTAL UNITS	CHARGES FOR CURRENT SERVICES	OTHER REVENUE	TOTAL
1996	\$ 130,969	\$ 7,430	\$ 11,924	\$ 12,752	\$ 308,976	\$ 79,712	\$ 17,006	\$ 568,769
1997	\$ 137,540	\$ 8,216	\$ 11,532	\$ 12,517	\$ 312,450	\$ 93,082	\$ 37,567	\$ 612,904
1998	\$ 147,741	\$ 11,001	\$ 16,292	\$ 14,346	\$ 312,935	\$ 88,084	\$ 36,734	\$ 627,133
1999	\$ 154,697	\$ 10,364	\$ 19,202	\$ 13,340	\$ 338,665	\$ 95,542	\$ 43,923	\$ 675,733
2000	\$ 162,583	\$ 10,914	\$ 21,111	\$ 12,305	\$ 351,999	\$ 98,038	\$ 49,767	\$ 706,717
2001	\$ 181,573	\$ 10,206	\$ 18,622	\$ 17,581	\$ 379,750	\$ 94,371	\$ 53,074	\$ 755,177
2002	\$ 196,035	\$ 11,730	\$ 16,870	\$ 9,781	\$ 430,019	\$ 105,827	\$ 56,160	\$ 826,422
2003	\$ 219,097	\$ 15,001	\$ 15,465	\$ 5,736	\$ 426,021	\$ 117,352	\$ 59,341	\$ 858,013
2004 (2)	\$ 264,204	\$ 16,324	\$ 16,414	\$ 1,851	\$ 429,463	\$ 124,109	\$ 56,152	\$ 908,517
2005	\$ 304,306	\$ 17,843	\$ 17,531	\$ 10,733	\$ 408,364	\$ 136,752	\$ 61,849	\$ 957,378



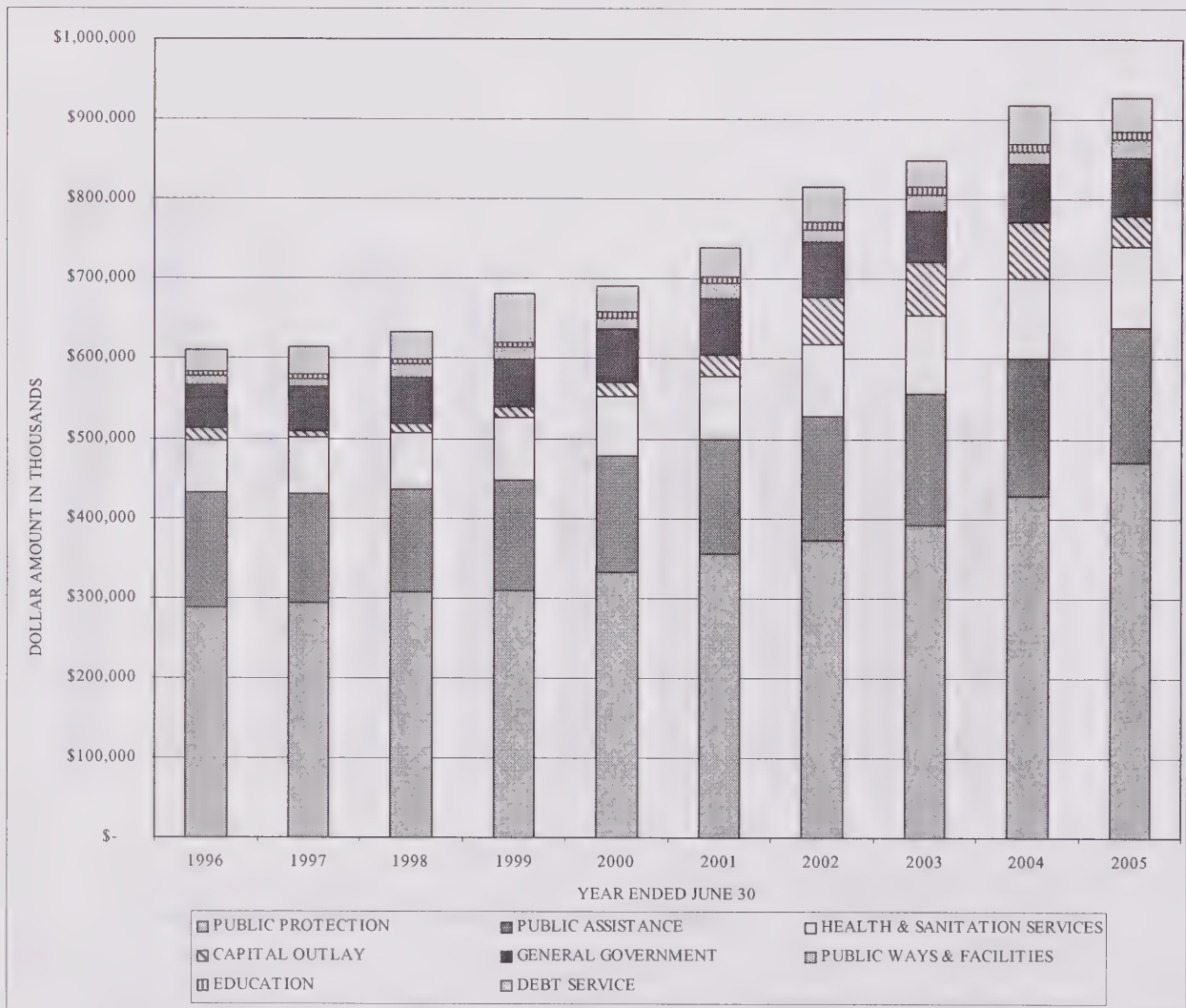
(1) Includes General Fund and all Special Revenue, Debt Service, Capital Projects, and Permanent Funds.

(2) Includes over \$29 million of additional property taxes to the Fire Protection District resulting from the settlement of the ERAF lawsuit filed against the State of California relating to the 93/94 ERAF shift.

Source: Ventura County Auditor-Controller's Office

COUNTY OF VENTURA
EXPENDITURES BY FUNCTION
ALL GOVERNMENTAL FUND TYPES (1)
TEN YEARS ENDED JUNE 30, 2005
(In Thousands)
(UNAUDITED)

Year Ended June 30	General Government	Public Protection	Public Ways and Facilities	Health and Sanitation Services	Public Assistance	Education	Capital Outlay	Debt Service	Total
1996	\$ 52,758	\$ 288,067	\$ 12,275	\$ 65,301	\$ 143,463	\$ 6,623	\$ 15,920	\$ 25,376	\$ 609,783
1997	\$ 54,791	\$ 294,474	\$ 10,253	\$ 71,006	\$ 136,061	\$ 6,060	\$ 7,353	\$ 34,224	\$ 614,222
1998	\$ 57,815	\$ 306,184	\$ 16,199	\$ 71,501	\$ 129,836	\$ 6,010	\$ 10,759	\$ 35,344	\$ 633,648
1999 (2)	\$ 58,188	\$ 309,001	\$ 15,290	\$ 77,514	\$ 138,782	\$ 6,093	\$ 14,856	\$ 61,965	\$ 681,689
2000	\$ 67,245	\$ 332,860	\$ 14,215	\$ 75,934	\$ 144,454	\$ 7,237	\$ 16,892	\$ 32,678	\$ 691,515
2001	\$ 71,024	\$ 355,287	\$ 18,881	\$ 77,435	\$ 144,175	\$ 8,070	\$ 27,561	\$ 36,333	\$ 738,766
2002	\$ 69,009	\$ 372,040	\$ 15,766	\$ 89,943	\$ 156,043	\$ 8,350	\$ 59,948	\$ 45,115	\$ 816,214
2003	\$ 62,749	\$ 390,907	\$ 22,460	\$ 98,817	\$ 165,311	\$ 8,230	\$ 66,337	\$ 33,932	\$ 848,743
2004	\$ 73,790	\$ 427,410	\$ 15,851	\$ 99,538	\$ 173,237	\$ 8,418	\$ 70,644	\$ 49,425	\$ 918,313
2005	\$ 72,000	\$ 470,576	\$ 24,409	\$ 102,004	\$ 169,201	\$ 9,783	\$ 37,519	\$ 40,657	\$ 926,149

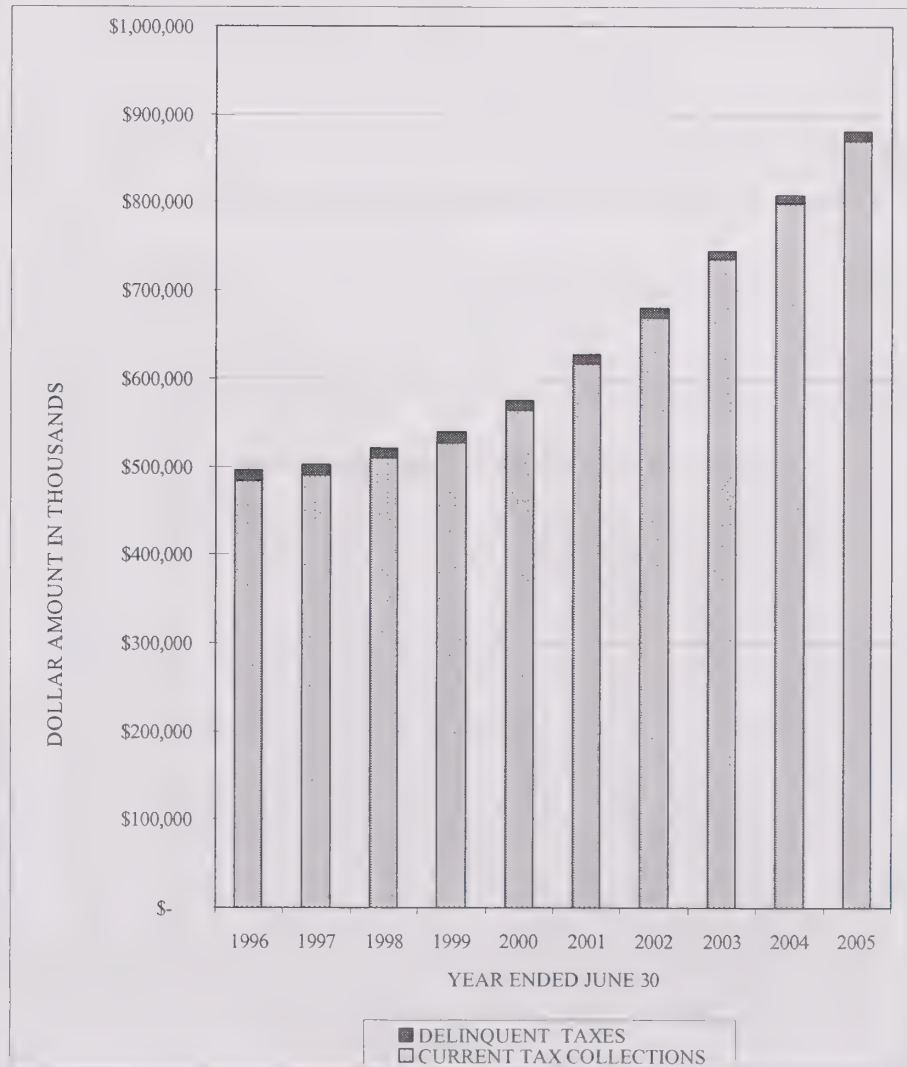


(1) Includes General Funds and all Special Revenue, Debt Service, Capital Projects Funds, and Permanent Funds.

(2) 1999 Debt Service includes \$28,232,000 one-time principal payment due to retirement of PFC I and PFC III.

COUNTY OF VENTURA
PROPERTY TAX LEVIES AND COLLECTIONS
TEN YEARS ENDED JUNE 30, 2005
(In Thousands)
(UNAUDITED)

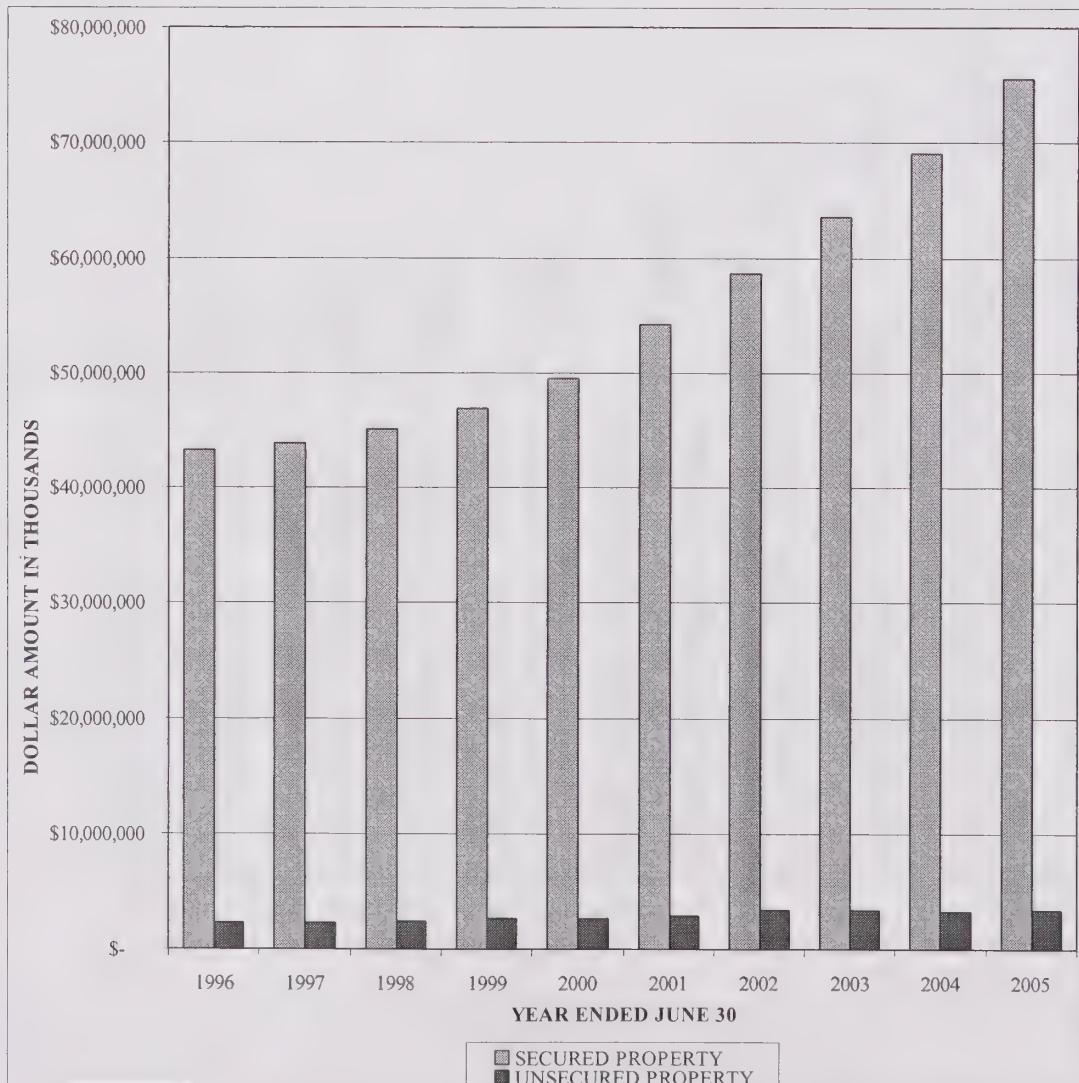
YEAR ENDED JUNE 30	TOTAL TAX LEVY	CURRENT TAX COLLECTIONS	PERCENT OF LEVY COLLECTED	DELINQUENT TAXES	PERCENT OF DELINQUENT TAXES TO TOTAL TAX LEVY
1996	\$ 496,672	\$ 483,091	97.3	\$ 13,581	2.7
1997	\$ 501,797	\$ 489,594	97.6	\$ 12,203	2.4
1998	\$ 520,616	\$ 509,713	97.9	\$ 10,903	2.1
1999	\$ 539,141	\$ 526,333	97.6	\$ 12,808	2.4
2000	\$ 574,444	\$ 564,614	98.3	\$ 9,830	1.7
2001	\$ 627,553	\$ 617,453	98.4	\$ 10,100	1.6
2002	\$ 679,821	\$ 668,926	98.4	\$ 10,895	1.6
2003	\$ 745,363	\$ 735,445	98.7	\$ 9,918	1.3
2004	\$ 808,475	\$ 798,522	98.8	\$ 9,953	1.2
2005	\$ 881,714	\$ 869,979	98.7	\$ 11,735	1.3



COUNTY OF VENTURA
 ASSESSED VALUE
 OF TAXABLE PROPERTY
 TEN YEARS ENDED JUNE 30, 2005
 (In Thousands)
 (UNAUDITED)

YEAR ENDED JUNE 30	SECURED PROPERTY ASSESSED VALUE	UNSECURED PROPERTY ASSESSED VALUE	TOTAL ASSESSED VALUE
1996	\$ 43,282,520	\$ 2,317,807	\$ 45,600,327
1997	\$ 43,855,746	\$ 2,258,688	\$ 46,114,434
1998	\$ 45,068,893	\$ 2,425,801	\$ 47,494,694
1999	\$ 46,798,426	\$ 2,615,665	\$ 49,414,091
2000	\$ 49,491,147	\$ 2,666,951	\$ 52,158,098
2001	\$ 54,213,286	\$ 2,927,920	\$ 57,141,206
2002	\$ 58,662,702	\$ 3,307,261	\$ 61,969,963
2003	\$ 63,560,907	\$ 3,318,345	\$ 66,879,252
2004	\$ 69,085,949	\$ 3,262,538	\$ 72,348,487
2005	\$ 75,542,806	\$ 3,315,396	\$ 78,858,202

NOTE: Assessments are at full value in accordance with Section 135 of the Revenue and Taxation Code.



COUNTY OF VENTURA
PROPERTY TAX RATES AND DISTRIBUTION OF GENERAL LEVY PROPERTY TAXES
DIRECT AND OVERLAPPING GOVERNMENTS
TEN YEARS ENDED JUNE 30, 2005
(In Thousands)
(UNAUDITED)

YEAR ENDED JUNE 30	PROPERTY TAX RATES PER \$100 OF ASSESSED VALUATION		SPECIAL		SCHOOL		TOTAL
	LOW	HIGH	CITIES	DISTRICTS	COUNTY	DISTRICTS (1)	
1996	1.000000	1.392075	7.64%	18.64%	17.96%	55.76%	100%
1997	1.000000	1.384278	7.60%	18.74%	17.90%	55.76%	100%
1998	1.000000	1.371358	8.21%	18.73%	17.88%	55.18%	100%
1999	1.000000	1.385931	8.39%	18.60%	17.87%	55.14%	100%
2000	1.000000	1.218139	8.44%	18.63%	17.87%	55.06%	100%
2001	1.000000	1.231617	8.54%	18.65%	17.95%	54.86%	100%
2002	1.000000	1.231617	8.63%	18.65%	17.90%	54.82%	100%
2003	1.000000	1.228727	8.63%	18.63%	17.92%	54.82%	100%
2004	1.000000	1.211696	8.69%	18.80%	18.07%	54.44%	100%
2005	1.000000	1.203677	8.76%	18.73%	18.06%	54.45%	100%

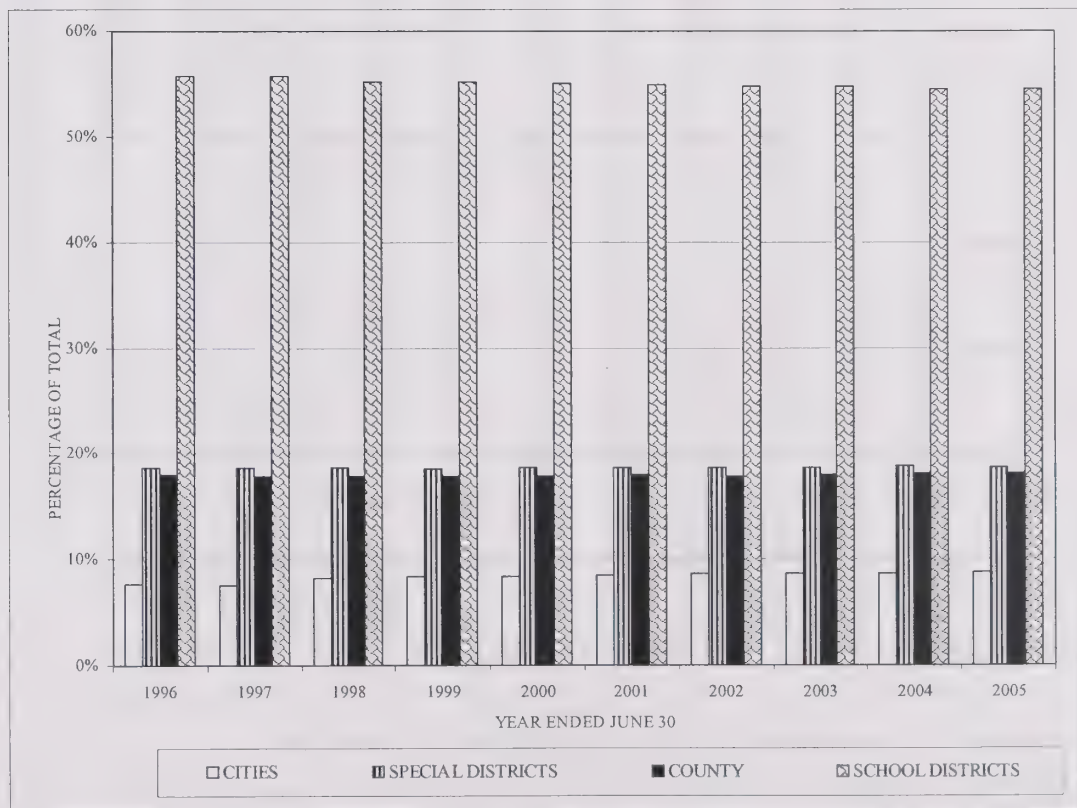
The County is divided into approximately 2,459 tax rate areas, which are unique combinations of various jurisdictions serving a specific geographic area. The above tax rates, which include levies for general obligation bonds and special assessments, represent the low and high tax rates levied within each tax rate area.

The above allocation percentages are for general levies only and exclude general obligation bonds and special assessments.

The passage of Proposition 13 on June 6, 1978, enacted Article XIII(A) of the State Constitution. This prohibits the levying of any tax rate, except for voter approved bonded debt, in excess of a general tax rate of 1 percent of assessed value. The proceeds of this tax are shared by all overlapping local government entities.

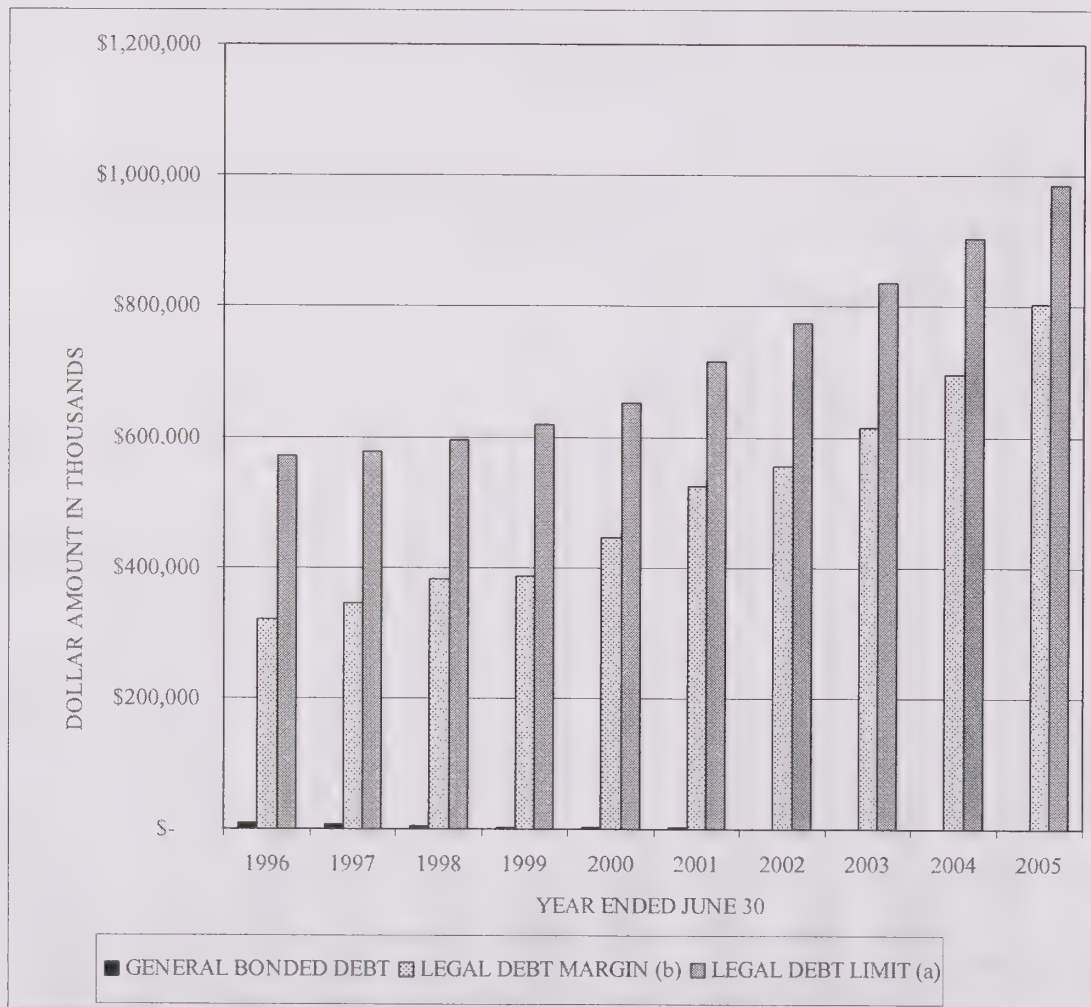
(1) Includes Superintendent of Schools

Source: Ventura County Auditor-Controller's Office



COUNTY OF VENTURA
GENERAL BONDED DEBT AND LEGAL DEBT LIMIT
TEN YEARS ENDED JUNE 30, 2005
(In Thousands)
(UNAUDITED)

YEAR ENDED JUNE 30	ESTIMATED POPULATION	TOTAL ASSESSED VALUATION	LEGAL DEBT LIMIT (a)	LEGAL DEBT MARGIN (b)	GENERAL BONDED DEBT	GENERAL BONDED DEBT TO ASSESSED VALUE	GENERAL BONDED DEBT PER CAPITA
1996	716	\$ 45,600,327	\$ 570,004	\$ 319,369	\$ 8,395	0.00018	\$ 11.72
1997	717	\$ 46,114,434	\$ 576,430	\$ 343,747	\$ 6,495	0.00014	\$ 9.06
1998 (c)	726	\$ 47,494,694	\$ 593,684	\$ 380,826	\$ 4,555	0.00010	\$ 6.27
1999	735	\$ 49,414,091	\$ 617,676	\$ 385,771	\$ 3,010	0.00006	\$ 4.10
2000	748	\$ 52,158,098	\$ 651,976	\$ 445,455	\$ 1,805	0.00003	\$ 2.41
2001	765	\$ 57,141,206	\$ 714,265	\$ 524,194	\$ 1,255	0.00002	\$ 1.64
2002	780	\$ 61,969,963	\$ 774,625	\$ 555,806	\$ 665	0.00001	\$ 0.85
2003 (d)	792	\$ 66,879,252	\$ 835,991	\$ 613,728	\$ 340	0.000005	\$ 0.43
2004	802	\$ 72,348,487	\$ 904,356	\$ 694,358	\$ -	0.000000	\$ -
2005	813	\$ 78,858,202	\$ 985,728	\$ 804,010	\$ -	0.000000	\$ -



- (a) The legal debt limit is set by statute at 1.25 percent of total assessed valuation.
- (b) The legal debt margin is the legal debt limit reduced by all long-term bonds, certificates of participation and loans payable.
- (c) Revised based upon updated report from State of California, Demographic Research Unit.
- (d) Corrected in 2003-04.

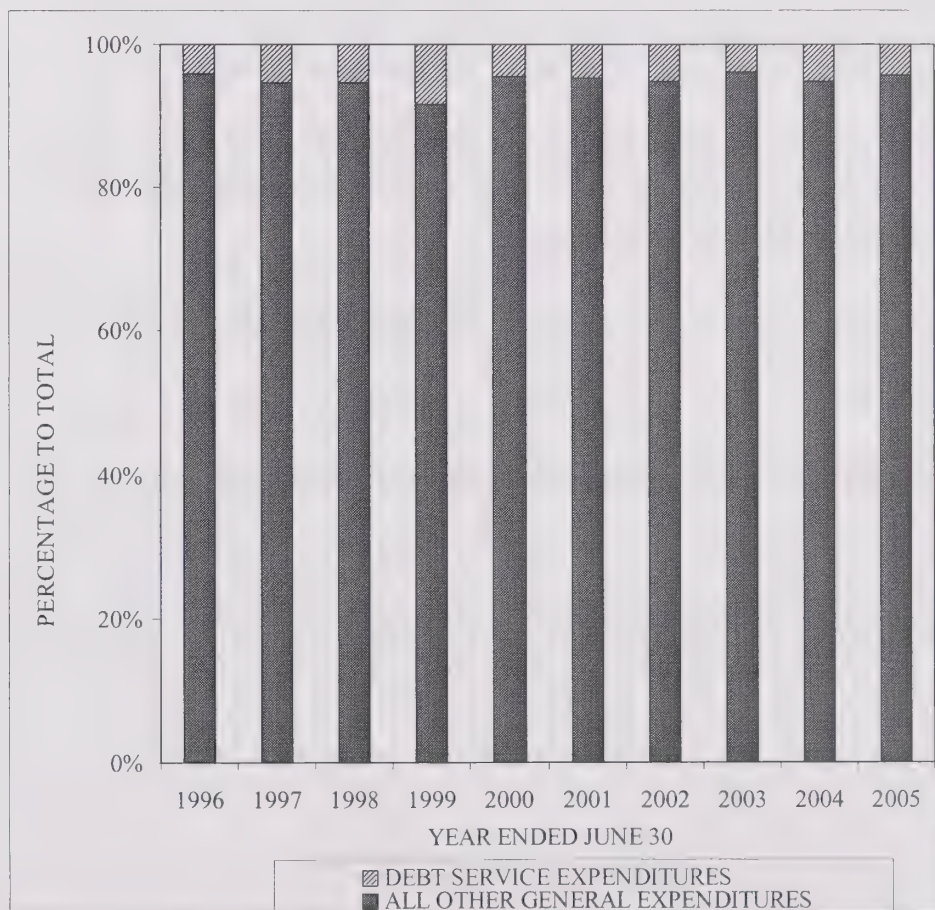
Sources: Ventura County Auditor-Controller's Office and Department of Finance

COUNTY OF VENTURA
 RATIO OF ANNUAL DEBT SERVICE EXPENDITURES
 FOR GENERAL BONDED DEBT TO TOTAL GOVERNMENTAL EXPENDITURES
 TEN YEARS ENDED JUNE 30, 2005
 (In Thousands)
 (UNAUDITED)

FISCAL YEAR	PRINCIPAL	INTEREST	TOTAL DEBT SERVICE (1)	TOTAL GENERAL EXPENDITURES (2)	RATIO OF DEBT SERVICE TO TOTAL GENERAL GOVERNMENTAL EXPENDITURES
1996	\$ 12,792	\$ 12,584	\$ 25,376	\$ 609,783	4.2%
1997	\$ 16,171	\$ 18,053	\$ 34,224	\$ 614,222	5.6%
1998	\$ 17,857	\$ 17,487	\$ 35,344	\$ 633,648	5.6%
1999 (3)	\$ 39,587	\$ 22,378	\$ 61,965	\$ 681,689	9.1%
2000	\$ 19,233	\$ 13,445	\$ 32,678	\$ 691,515	4.7%
2001	\$ 21,787	\$ 14,546	\$ 36,333	\$ 738,766	4.9%
2002	\$ 33,275	\$ 11,840	\$ 45,115	\$ 816,214	5.5%
2003	\$ 21,915	\$ 12,017	\$ 33,932	\$ 848,743	4.0%
2004	\$ 39,642	\$ 9,783	\$ 49,425	\$ 918,313	5.4%
2005	\$ 28,605	\$ 12,052	\$ 40,657	\$ 926,149	4.4%

- (1) Includes debt service for General Fund short-term borrowings and all debt service in the Debt Service Funds. General obligation and lease revenue bonds reported in the proprietary fund have been excluded
- (2) Includes General Fund and all Special Revenue, Debt Service, Capital Projects, and Permanent Funds.
- (3) 1999 Principal includes \$28,232,000 one-time principal payment due to retirement of PFC I and PFC III.

Source: Auditor-Controller's Office



COUNTY OF VENTURA
CONSTRUCTION AND BANK DEPOSITS
TEN YEARS ENDED JUNE 30, 2005
(UNAUDITED)

YEAR ENDED JUNE 30	COMMERCIAL CONSTRUCTION	RESIDENTIAL CONSTRUCTION		BANK DEPOSITS (b)
	VALUE (a) (In Thousands)	NUMBER OF UNITS (a)	VALUE (a) (In Thousands)	(In Thousands)
1996	\$ 155,762	2,346	\$ 227,050	\$ 3,425,696
1997	\$ 206,749	2,304	\$ 246,332	\$ 6,477,957
1998	\$ 241,206	2,607	\$ 191,737	\$ 6,842,846
1999	(c)	3,977	(c)	\$ 7,147,592
2000	\$ 365,132	4,180	\$ 431,938	\$ 7,373,216
2001	\$ 200,808	3,782	\$ 498,260	\$ 7,934,198
2002	\$ 269,727	2,826	\$ 421,194	\$ 8,721,314
2003	\$ 159,034	3,421	\$ 418,932	\$ 9,771,188
2004	\$ 274,288	2,725	\$ 448,488	\$ 10,841,643
2005	\$ 264,083	3,470	\$ 509,967	\$ 11,692,080

(a) Sources:

Construction Industry Research Board for number of units.

County of Ventura Assessor's Office for construction values.

(b) State Banking Department through 1996; FDIC Website www.fdic.gov

(c) Information was not available as of report date.

COUNTY OF VENTURA
COMPUTATION OF DIRECT AND OVERLAPPING DEBT
AS OF JUNE 30, 2005
(UNAUDITED)

	PERCENTAGE APPLICABLE TO COUNTY OF VENTURA	DEBT JUNE 30, 2005
<u>OVERLAPPING TAX AND ASSESSMENT DEBT:</u>		
Metropolitan Water District	4.173	\$ 17,451,069
College, School, High School, and Unified School Districts	100.00 (a)	588,760,750
1915 Act Bonds	100.00	51,921,500
Community Facilities Districts	100.00	109,044,812
TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT	(b)	<u>767,178,131</u>
<u>DIRECT AND OVERLAPPING GENERAL FUND OBLIGATION DEBT:</u>		
Ventura County Public Facilities Corporation (c)	100.00	8,980,000
Ventura County Public Financing Authority (c)	100.00	89,995,000
Ventura County Pension Obligations	100.00	55,500,000
City General Fund Obligations	100.00	154,695,280
School Districts Certificates of Participation	100.00 (a)	64,968,660
Ventura County Superintendent of Schools Certificates of Participation	100.00	13,855,000
Pleasant Valley County Water District Certificates of Participation	100.00	974,874
Camarillo Sanitary District Certificates of Participation	100.00	6,809,947
Rancho Simi Recreation and Park Districts Certificates of Participation	100.00	1,525,000
TOTAL GROSS DIRECT AND OVERLAPPING BONDED DEBT	(b)	<u>397,303,761</u>
Less: City of Thousand Oaks Lease Revenue Bonds		4,575,000
Camarillo Sanitary District Certificates of Participation		6,809,947
TOTAL NET DIRECT AND OVERLAPPING BONDED DEBT	(b)	<u>385,918,814</u>
GROSS COMBINED TOTAL DEBT		<u>\$ 1,164,481,892</u>
NET COMBINED TOTAL DEBT		<u>\$ 1,153,096,945</u>

Ratios to assessed valuation:

Total gross overlapping tax and assessment debt	1.59%
Total net overlapping tax and assessment debt	1.57%

(a) All 100 percent except Las Virgenes Joint Unified School District (3.940%)

(b) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and tax allocation bonds and non-bonded capital lease obligations.

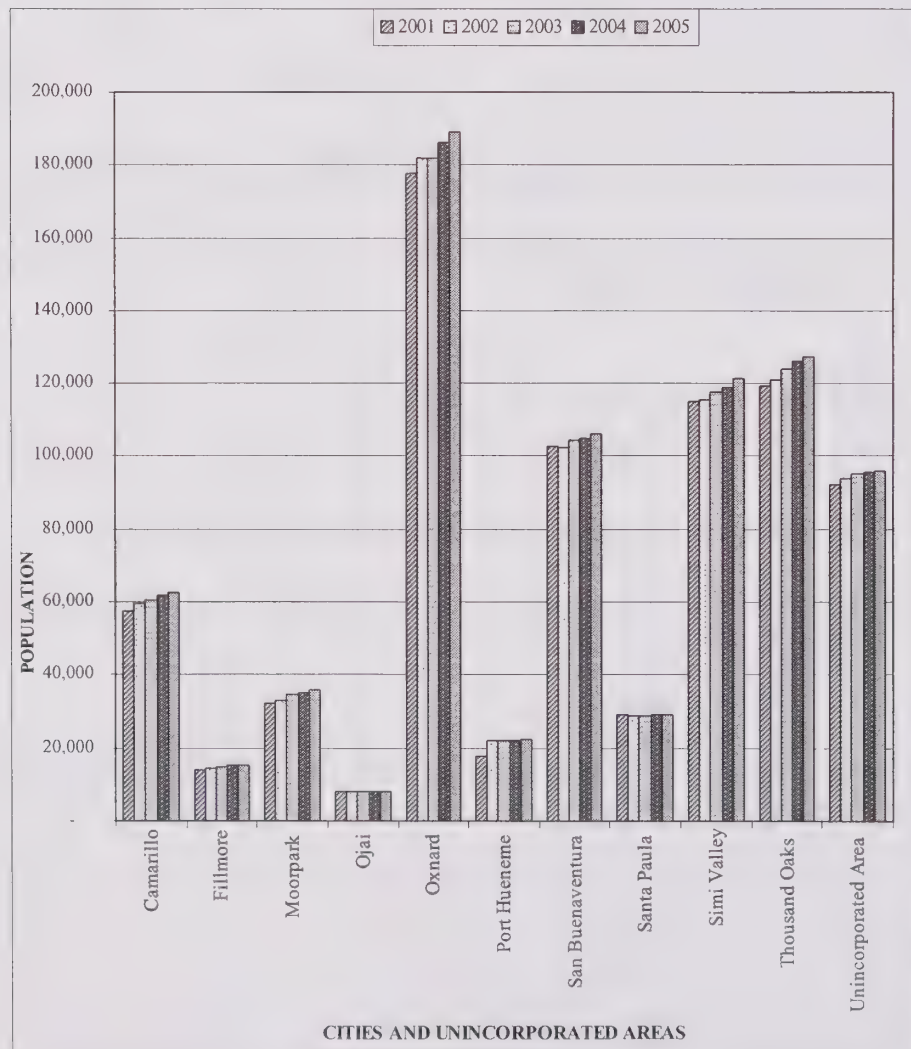
(c) As modified by the Auditor-Controller's office

Source : California Municipal Statistics, Inc., San Francisco and Ventura County Auditor-Controller's Office

COUNTY OF VENTURA
POPULATION BY CITY
FIVE-YEAR COMPARISON AS OF JUNE 30, 2005
(UNAUDITED)

	2001	2002	2003	2004	2005
Camarillo	57,349	59,487	60,515	61,746	62,739
Fillmore	14,096	14,400	14,690	15,128	15,222
Moorpark	32,151	33,032	34,529	34,887	35,908
Ojai	7,970	7,913	7,991	8,097	8,153
Oxnard	177,700	182,027	181,763	186,122	188,849
Port Hueneme	17,766	21,854	21,794	22,137	22,445
San Buenaventura	102,574	102,346	104,259	104,952	106,096
Santa Paula	29,303	28,732	28,962	29,121	29,281
Simi Valley	114,837	115,533	117,671	118,793	121,427
Thousand Oaks	119,411	120,975	123,986	126,081	127,112
Unincorporated Area	92,017	93,790	95,150	95,372	95,820
Total	765,174	780,089	791,310	802,436	813,052

Source:
California Department of Finance
Demographic Research Unit



COUNTY OF VENTURA
TEN LARGEST PROPERTY TAXPAYERS RANKED BY ASSESSED VALUE
FOR THE FISCAL YEAR ENDED JUNE 30, 2005
(In Thousands)
(UNAUDITED)

<u>NAME</u>	<u>TYPE OF BUSINESS</u>	<u>GROSS ASSESSED VALUE</u>	<u>PERCENTAGE OF TOTAL GROSS ASSESSED VALUE</u>
Amgen Inc	Biotechnology	\$ 1,340,357	1.70%
So. California Edison Co.	Utility	368,364	0.47%
Aera Energy LLC	Oil field operations	326,668	0.41%
Proctor-Gamble Paper Products	Manufacturing	234,484	0.30%
Verizon California Inc.	Telecommunications	223,413	0.28%
Baxter Healthcare Corp.	Biotechnology	197,934	0.25%
Reliant Energy	Utility	164,666	0.21%
Vintage Petroleum Inc.	Oil field operations	158,671	0.20%
Macerich Oaks LLC	Regional shopping center	157,650	0.20%
Duesenberg Investment Co.	Financial	148,703	0.19%
Total attributable to ten largest property taxpayers		<u>\$ 3,320,910</u>	<u>4.21%</u>
Total gross assessed value		<u>\$ 78,858,202</u>	<u>100.00%</u>

COUNTY OF VENTURA
DEMOGRAPHIC AND MISCELLANEOUS STATISTICAL DATA
AS OF JUNE 30, 2005
(UNAUDITED)

The State Legislature approved the formation of Ventura County on March 22, 1872, effective January 1, 1873. The County of Ventura was created out of the southeasterly portion of Santa Barbara County.

The County of Ventura is bounded on the east by Los Angeles County; on the north by Kern County; on the northwest by Santa Barbara County; and on the south and southwest by the Pacific Ocean, with a coastline of approximately 42 miles.

Form of Government:	General Law County, governed by a five member Board of Supervisors
County Seat:	San Buenaventura, California
Area of County:	Approximately 1,873 square miles
Lowest Point:	Sea Level
Highest Point:	Mount Pinos, 8,831 feet
Mean Temperature:	60.9 degrees
Mean Precipitation:	13.09 inches
Fiscal Year:	July 1 through June 30
Number of Cities:	Ten

Population:	Census June 1, 1890	10,071	Census April 1, 1960	199,138
	Census June 1, 1900	14,367	Census April 1, 1970	368,497
	Census April 15, 1910	18,347	Census April 1, 1980	529,899
	Census January 1, 1920	28,724	Census April 1, 1990	669,016
	Census April 1, 1930	54,976	Census April 1, 2000	753,197
	Census April 1, 1940	69,685	Est. January 1, 2005	813,052
	Census April 1, 1950	114,647		

(Source: US Department of Commerce, Bureau of Census)

County Employees:	June 30, 2005	7,962
Number of employees per thousand population		9.8

Employment Distribution:		
	Service Industries	35.8%
	Retail Trade	11.2%
	Government	13.7%
	Manufacturing	12.2%
	Agriculture, Food Production	8.1%
	Wholesale Trade	3.7%
	Construction and Mining	6.1%
	Finance, Insurance, Real Estate	7.4%
	Transportation, Utilities	1.8%
	Total	<u>100.0%</u>

Civilian Unemployment Rate	4.6%
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(Source: State of California, Labor Market Information Division of the California Employment Development Department, as of July 2005)

Fire Protection:	Fire Stations:	31
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Education:	Number of Elementary School Districts:	11
	Number of Secondary School Districts:	2
	Number of Unified School Districts:	7
	Number of Community College Districts:	1
	Number of Ventura County Offices:	1
	Number of State Universities:	1

(Source: Ventura County Superintendent of Schools)

Parks:	Number of Parks:	26
	Number of Land Acres:	5,854

Airports:	Number of Airports:	2
	Number of Acres:	866

Harbors:	Number of Harbors:	1
	Number of Acres:	310

(Source: County of Ventura)

COUNTY OF VENTURA
SALARIES AND SURETY BONDS
OF ELECTED COUNTY OFFICIALS
AS OF JUNE 30, 2005
(UNAUDITED)

<u>OFFICIALS</u>	<u>POSITION</u>	<u>ANNUALIZED SALARY (a)</u>	<u>SURETY BOND</u>
Steve Bennett	Supervisor, First District	\$ 89,633	\$ 25,000
Linda Parks	Supervisor, Second District	\$ 100,687	\$ 25,000
Kathy I. Long	Supervisor, Third District	\$ 100,687	\$ 25,000
Judy Mikels	Supervisor, Fourth District	\$ 100,687	\$ 25,000
John K. Flynn	Supervisor, Fifth District	\$ 100,687	\$ 25,000
Dan Goodwin	Assessor	\$ 140,580	\$ 25,000
Christine L. Cohen	Auditor-Controller	\$ 149,479	\$ 250,000
Philip J. Schmit	Clerk and Recorder	\$ 129,828	\$ 25,000
Gregory D. Totten	District Attorney	\$ 166,641	\$ 25,000
Bob Brooks	Sheriff	\$ 191,299	
	Civil		\$ 25,000
	Criminal		\$ 25,000
Lawrence Matheney	Treasurer - Tax Collector	\$ 131,259	\$ 755,000
	Public Administrator		
	Public Guardian		

(a) Based upon June 2005 base salary.

Source: Ventura County Auditor-Controller's Office and Ventura County Risk Management

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